



CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

REGULAR MEETING
December 4, 2006
7:00 PM

CALL TO ORDER BY MAYOR ROGERS
PLEDGE OF ALLEGIANCE
MOMENT OF REFLECTION

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2 CITY MANAGER'S REPORT

a. The City Manager will introduce new employees

3 UNSCHEDULED PUBLIC APPEARANCES

(Limit three minutes per person. Please state your name.)

4 CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. APPROVAL OF MINUTES

- a. Work Session of November 20, 2006
- b. Regular Meeting of November 20, 2006

b. CLAIMS - JULY 2006 THROUGH SEPTEMBER 2006

c. RESOLUTION 2615-1206 - DECLARING 2007 TAX CODE AMENDMENTS A PUBLIC RECORD

The Council will consider a resolution declaring the 2007 Amendments to the Tax Code of the City of Avondale a public record. The Council will take appropriate action.

d. ORDINANCE 1217-1206 - 2007 TAX CODE AMENDMENTS

The Council will consider an ordinance relating to the Privilege License Tax, adopting the 2007 Amendments to the Tax Code of the City of Avondale by Reference. The Council will take appropriate action.

e. RESOLUTION 2617-1206 SETTING RESIDENTIAL SANITATION RATES

The City Council will consider a resolution setting sanitation rates for the collection of refuse and recyclables. The Council will take appropriate action.

f. RESOLUTION 2616-1206 APPROVING THE MUNICIPAL ART COMMITTEE PUBLIC ART MASTER PLAN

The Council will consider a resolution approving the Avondale Public Art Master Plan. The Council will take appropriate action.

g. RESOLUTION 2614-1206 - REVISING THE AVONDALE MUNICIPAL ART COMMITTEE BY-LAWS

The Avondale Municipal Art Committee (AMAC) is requesting that the City Council approve a Resolution to revise the by-laws of Municipal Art Committee and increase the number of members from seven to nine. The Council will take appropriate action.

h. ORDINANCE 1219-1206 AMENDMENT CHAPTER 17 - FISHING REGULATIONS

The Council will consider an ordinance amending Chapter 17 of the City of Avondale Municipal Code regarding fishing regulations. The Council will take appropriate action.

i. ORDINANCE 1216-1206 - CONVEYING REAL PROPERTY - BUREAU OF RECLAMATION

Staff is requesting that the City Council adopt an ordinance conveying real property to the Bureau of Reclamation and United States of America and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

j. ORDINANCE 1222-1206 COUNTY LAND AUCTION

The City Council will consider an ordinance authorizing the City of Avondale to participate in the Maricopa County Tax Deeded Land Auction. The Council will take appropriate action.

k. ORDINANCE 1221-1206 GRANTING - UTILITY EASEMENT TO ARIZONA PUBLIC SERVICE - NORTHSIDE ARSENIC TREATMENT FACILITY

The City Council will consider an ordinance granting Arizona Public Service (APS) a utility easement over a portion of the City's Northside Arsenic Treatment Facility and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

l. ORDINANCE 1220-1206 GRANTING AN IRRIGATION EASEMENT, AND ACCEPTING A RIGHT-OF-WAY LICENSE FROM SALT RIVER PROJECT AGRICULTURE IMPROVEMENT & POWER DISTRICT

The City Council will consider an ordinance granting an irrigation easement, accept a Right-of-Way License from Salt River Project Agriculture Improvement & Power District (SRP) and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

m. FISCAL YEAR 2005-2006 BUDGET ADJUSTMENTS

The City Council will consider the budget adjustments required to amend the original 2005-2006 fiscal year budget in preparation for the City's year end financial statements. The Council will take appropriate action.

n. LIQUOR LICENSE - RUMBI ISLAND GRILL

Staff is requesting that the City Council consider a request by Mr. Brian Almassy for a Series 16 (State Series12) Restaurant license to sell all spirituous liquors at Rumbi Island Grill, 9915 West McDowell Road. The Council will take appropriate action.

o. SPECIAL EVENT LIQUOR LICENSES- ST. THOMAS AQUINAS CHURCH- PHOENIX BOYS CHOIR CONCERT

Staff is requesting that Council consider a special event liquor license for the St. Thomas Aquinas Church, 13720 West Thomas Road, Avondale for December 10, 2006. The Council will take appropriate action.

5 APPOINTMENTS TO THE BOARD OF ADJUSTMENT, IPMC BOARD OF APPEALS, LIBRARY ADVISORY BOARD, MUNICIPAL ARTS COMMITTEE, PARKS AND RECREATION ADVISORY BOARD, PLANNING COMMISSION, RISK MANAGEMENT TRUST FUND BOARD, AND SOCIAL SERVICES ADVISORY BOARD

Appointments to the Board of Adjustment, IPMC Board of Appeals, Library Advisory Board, Municipal Arts Committee, Parks and Recreation Advisory Board, Planning Commission, Risk Management Trust Fund Board, and Social Services Advisory Board.

6 PUBLIC HEARING - DEVELOPMENT FEE INCREASE

The Council will hold a public hearing on the proposed increase to the City's development fees.

For information only.

7 PUBLIC HEARING AND ORDINANCE 1218-1206 – WATER USER CHARGES

The Council will hold a public hearing and consider an ordinance amending water user charges. The council will take appropriate action.

8 DISCUSSION ITEMS

Council will discuss items listed below and possibly give direction to city staff to research and prepare item for future meeting.

a. Western Avenue Library - Green Building - Mayor Rogers

9 EXECUTIVE SESSION

a. EXECUTIVE SESSION

The Council may hold an executive session pursuant to Ariz. Rev. Stat. § 38-431.03 (A) (7) for discussion or consultation with City representatives in order to consider its position and instruct its representatives regarding negotiations for the sale of real property and pursuant to Ariz. Rev. Stat. § 38-431.03 (A)(4) for discussion or consultation with the City's attorney in order to consider its position and instruct the City's attorney regarding the council's position regarding a potential development agreement regarding commercial property.

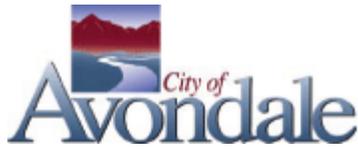
10 ADJOURNMENT

Respectfully submitted,



Linda Farris, CMC
City Clerk

Any individual with a qualified disability may request a reasonable accommodation by contacting the City Clerk at 623-478-3030 at least 48 hours prior to the council meeting.



CITY COUNCIL REPORT

SUBJECT:
RESOLUTION 2615-1206 - DECLARING 2007 TAX
CODE AMENDMENTS A PUBLIC RECORD

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

To adopt a resolution declaring as a public record certain documents filed with the City Clerk and entitled "The 2007 Amendments to the Tax Code of the City of Avondale".

DISCUSSION:

Arizona State law allows cities to enact the provisions of a code or amendment to the code without publishing the entire code (ARS 9-802). The law does require that three copies of the code shall be filed in the office of the City Clerk and made available for public use and inspection.

This resolution will establish "The 2007 amendments to the tax code of the City of Avondale" as a public record and direct the City Clerk to maintain three copies on file. By adopting the amendments by reference, it will save the City from publishing the numerous pages of amendments in the newspaper.

The League of Arizona Cities and Towns has forwarded the 2007 amendments to the Model Cities Tax Code for the City of Avondale. The amendments are housekeeping items, that when adopted, will bring the Tax Code into conformance with State Law, and clarify ambiguous language.

RECOMENDATION:

Staff recommends that Council adopt a resolution declaring as a public record certain documents filed with the City Clerk and entitled "The 2007 Amendments to the Tax Code of the City of Avondale".

ATTACHMENTS:

Click to download

 [RES - 2615-1206](#)

RESOLUTION NO. 2615-1206

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, DECLARING AS PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED THE "2007 AMENDMENTS TO THE TAX CODE OF THE CITY OF AVONDALE."

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That certain document entitled the "2007 Amendments to the Tax Code of the City of Avondale" of which three copies each are on file in the office of the City Clerk and open for public inspection during normal business hours, is hereby declared to be public record, and said copies are ordered to remain on file with the City Clerk.

PASSED AND ADOPTED by the Council of the City of Avondale December 4, 2006.

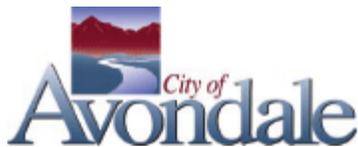
Marie Lopez Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY COUNCIL REPORT

SUBJECT:
ORDINANCE 1217-1206 - 2007 TAX CODE
AMENDMENTS

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council adopt an Ordinance relating to the Business Privilege Tax (Sales Tax); adopting "The 2007 Amendments to the Tax Code of the City of Avondale" by reference.

BACKGROUND:

The League of Arizona Cities and Towns has forwarded the 2007 amendments to the Model Cities Tax Code for the City of Avondale. The amendments are housekeeping items, that when adopted, will bring the City Tax Code into conformance with State law, clarify certain provisions, and exempt development fees included in a construction contract from gross income. Following each legislative session Arizona cities and towns, through the Unified Audit Committee (UAC), review new State laws to determine areas of the Model City Tax Code that require adjustment to maintain conformity with State law. As the UAC prepares and approves tax code changes they are forwarded to the business community for comment, and then to the Municipal Tax Code Commission for final approval before presenting them to city councils for adoption.

In 2006 the Municipal Tax Code Commission approved changes to conform the Model City Tax Code to new Arizona Revised Statutes 42-5073, Amusement Classification, 42-5070 Transient Lodging Classification, 42-5062 Transporting Classification and 42-5075 Prime Contracting Classification.

The 2007 amendments are incorporated in the Avondale Tax Code as follows:

- **Section 100, definition added for "Transient"** – word for word from A.R.S. § 42-5070(F), moved from Sections 444 and 447 and Regulation 310.3 (green page) because it is used in multiple sections of the MCTC.
- **Subsection 410(b)** – moves former (b) to (b)(1).
- **Subsection 410(b)(2)** – added from A.R.S. § 42-5073(B)(4) to exempt income received from a hotel if the hotel will report the amusement income.
- **Subsection 410(b)(3)** – added from A.R.S. § 42-5073(B)(5)(a) to exempt income that is taxable under another category for another business.
- **Subsection 410(b)(4)** – added from A.R.S. § 42-5073(B)(5)(b) to exempt transportation arranged by an amusement business.
- **Subsection 410(c)** – added from A.R.S. § 42-5073(A)(10) to exempt arranging amusement by businesses not in the amusement business.
- **Subsection 415(b)(10)** – added from A.R.S. § 42-5075(B)(21) to exempt income from development fees included in a construction contract for payment to a state or local government.
- **Subsection 444(a)** – combines former (a) and (b) into (a), with reference to Model Option #6. Change from an "option" in subsection (a) that was not a Model or Local Option, but would only be chosen by Model Option 6 cities.
- **Subsection 444(b)** – moves former (c) to (b)(1).
- **Subsection 444(b)(2)** – added from A.R.S. § 42-5070(C)(1) to exempt income that is taxable under another category for another business.

- **Subsection 444(b)(3)** – added from A.R.S. § 42-5070(D)(1) to exempt income from activities not limited to hotel guests and exempt from tax if received by a non-hotel business.
- **Subsection 444(b)(4)** – added from A.R.S. § 42-5070(D)(2) to exempt income from activities not limited to hotel guests and exempt from tax if received by an amusement or transportation business due to an exclusion, exemption or deduction.
- **Subsection 444(b)(5)** – added from A.R.S. § 42-5070(D)(3) to clarify that income from commissions is not taxable under this section. This exclusion also provides that income from commissions may be taxable under Sections 445 or 450.
- **Subsection 444(b)(6)** – added to clarify that income from telecommunications activity is taxable under Section 470.
- **Subsection 447** – deletes definition of “transient” now in Section 100. · **Subsection 470(a)(2)(E)** – added to clarify that income received by hotels from telecommunications activity is taxable under this section.
- **Subsection 475(f)(1)** – added from A.R.S. § 42-5062(B)(2) to exempt income that is taxable under another category for another business.
- **Subsection 475(f)(2)** – added from A.R.S. § 42-5062(B)(3) to exempt income from arranging amusement or transportation from the tax on transportation to the extent paid to an amusement or transportation business.
- **Subsection 475(g)** – added from A.R.S. § 42-5062(A)(6) to exempt arranging transportation by businesses not in the transportation business.
- **Regulation 310.3 (green pages for Phoenix, Scottsdale and Chandler only)** – deletes definition of “transient” now in Section 100.
- **Regulation 447.1** – deletes Regulation no longer needed; covered in State TPR and matrix.

With these changes, the City’s Tax Code will conform to the Model City Tax Code.

BUDGETARY IMPACT:

The changes to transient lodging are not expected to have a significant revenue impact on the City. The exemption of development fees from gross income will have a negative impact of \$300,000 to \$400,000 per year.

RECOMENDATION:

Staff recommends the Mayor and Council adopt an Ordinance implementing the 2007 amendment to the tax code of the City of Avondale.

ATTACHMENTS:

Click to download

 [ORD - 1217-1206](#)

ORDINANCE NO. 1217-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING THE "2007 AMENDMENTS TO THE TAX CODE OF THE CITY OF AVONDALE" BY REFERENCE; ESTABLISHING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That certain document known as the "2007 Amendments to the Tax Code of the City of Avondale" (the "2007 Amendments") three copies of which are on file in the office of the City Clerk of the City of Avondale, which document was made a public record by Resolution No. 2615-1206 of the City of Avondale, is hereby referred to, adopted and made a part hereof as if fully set out in this Ordinance.

SECTION 2. That any person found guilty of violating any provision of the 2007 Amendments shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

SECTION 3. That, if any section, subsection, sentence, clause, phrase or portion of this Ordinance or the 2007 Amendments is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the 2007 Amendments.

SECTION 4. That the provisions of Section 1 of the 2007 Amendments as it relates to the definition of "transient", Section 3 of the 2007 Amendments as it relates to subsections 13A-410 (b)(3) through (5) and (c) of the Tax Code of the City of Avondale and Sections 7, 8, 12, 13 and 15 of the 2007 Amendments shall be effective from and after January 1, 2007.

SECTION 5. That the provisions of Section 3 of the 2007 Amendments as it relates to subsection 13A-410 (b)(2) of the Tax Code of the City of Avondale shall be effective from and after July 1, 1999.

SECTION 6. That the provisions of Sections 4, 5 and 6 of the 2007 Amendments shall be effective from and after September 1, 2006.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

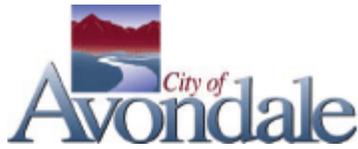
Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY COUNCIL REPORT

SUBJECT:
Resolution 2617-1206 Setting Residential Sanitation Rates

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that Council adopt a resolution adjusting the monthly residential sanitation rates.

BACKGROUND:

The City currently provides basic residential refuse collection services to approximately 18,590 homes. Each home receives once a week regular refuse pick up and once a week recyclables pick up. Customers may also opt for additional containers for an additional charge. Uncontained trash collection is also made available monthly to all single family residential customers. The current fee is \$16.50 per month for the basic services. The current fees became effective in February of 2006.

On November 20, 2006, staff presented the findings of the sanitation rate model update to the City Council. The findings concluded that the current rate of \$16.50 was not sufficient to cover the increased cost of labor, vehicle maintenance and services while still providing adequate cash flow and reserves in the sanitation enterprise fund.

The rate model update included the current budget year and a five year subsequent years. At minimum, the monthly fee required an increase of \$1.50 to ensure full cost recovery for the 2006-2007 fiscal year. This recommended adjustment was also presented to the community during the Town Hall meeting held on November 8, 2006 at the Avondale City Hall. Residents in attendance expressed no objections or concerns with the recommended increase.

The recommended fees in the following table will be effective in January 2007.

Residential Single-Family and Duplex

Option 1	
Collection of one (1) container of residential refuse once weekly, one (1) container of residential recyclables once weekly and collection of uncontained refuse once monthly.....	\$18.00
Option 2	
Collection of one (1) container of residential refuse twice weekly and collection of uncontained refuse once monthly.....	\$36.00
Option 3	
Collection of two (2) containers of residential refuse once weekly, one (1) container of residential recyclables once weekly and collection of uncontained refuse once monthly.....	\$27.50

The following table displays the rate adjustments required over the next five years of the study period.

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
	Budget	Budget	Budget	Budget	Budget
1 Est. Beginning Balance	\$1,030,568	\$1,066,428	\$1,018,008	\$1,078,968	\$1,002,758

2 Revenues

3 Adjusted Rate Revenue	4,506,710	5,062,020	5,649,260	6,268,460	6,842,730
4 Recycling	12,380	12,880	13,400	13,940	14,500
5 Interest	12,370	12,800	12,220	12,950	12,030
6 Total Sources	\$ 5,562,028	\$ 6,154,128	\$ 6,692,888	\$ 7,374,318	\$ 7,872,018

7 Expenses

8 Curbside Collection	3,356,440	3,891,520	4,306,860	4,659,180	5,080,920
9 Uncontained Collection	874,510	969,510	1,022,120	1,335,180	1,466,990
10 Education & Enforcement	264,650	275,090	284,940	377,200	389,730
11 Total Expenses	\$ 4,495,600	\$ 5,136,120	\$ 5,613,920	\$ 6,371,560	\$ 6,937,640
12 Est. Cost per Customer	18.46	19.78	20.37	21.85	22.56
13 Recommended Rate	19.00	20.00	21.00	22.00	22.50
14 Estimated Ending Balance	\$1,079,498	\$1,037,228	\$1,103,418	\$1,032,498	\$969,478

Provided no major economic impacts occur, the recommended rates will be included on the consent agenda of future meetings of the respective fiscal year.

BUDGETARY IMPACT:

The adjusted sanitation rates will be used to fund the sanitation operations expenditure budget.

RECOMENDATION:

Staff recommends that Council adopt a resolution increasing monthly residential sanitation rates per the attached schedule.

ATTACHMENTS:

Click to download

 [RES - 2617-1206](#)

RESOLUTION NO. 2617-1206

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, REPEALING RESOLUTION 2546-206, APPROVING A SANITATION RATE SCHEDULE AND SETTING AN EFFECTIVE DATE.

WHEREAS, the City of Avondale Municipal Code, Chapter 11, Sanitation Code, provides that fees for collection of refuse and recyclables may be adopted by a resolution of the Council of the City of Avondale (the “City Council”); and

WHEREAS, the City Council passed and adopted Resolution No. 2546-206 on February 21, 2006, adopting fees for collection of refuse and recyclables; and

WHEREAS, the City Council desires to repeal Resolution 2546-206 and adopt a new sanitation rate schedule.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That Resolution 2546-206 is hereby repealed.

SECTION 2. That new fees for collection of refuse and recyclables shall be charged in accordance with the sanitation rate schedule attached hereto as Exhibit A and incorporated herein by reference.

SECTION 3. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

SECTION 4. That this Resolution shall take effect at 12:01 a.m. on January 3, 2007.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 2617-1206

[Sanitation Rate Schedule]

See following page.

City of Avondale, Arizona
Sanitation Rate Schedule
Effective January 2006

Residential Refuse & Recyclable Collection¹

Residential Single-Family and Duplex

Option 1

Collection of one (1) container of residential refuse once weekly, one (1) container of residential recyclables once weekly and collection of uncontained refuse once monthly\$18.00

Option 2

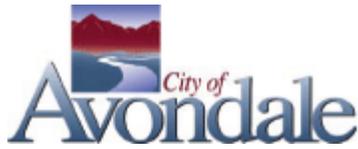
Collection of one (1) container of residential refuse twice weekly and collection of uncontained refuse once monthly\$36.00

Option 3

Collection of two (2) containers of residential refuse once weekly, one (1) container of residential recyclables once weekly and collection of uncontained refuse once monthly\$27.50

Notes:

¹Schedule as determined by the Director.



CITY COUNCIL REPORT

SUBJECT:
Resolution 2616-1206 Approving the Municipal Art
Committee Public Art Master Plan

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Rogene Hill
THROUGH: Charlie McClendon, City Manager

PURPOSE:

The Avondale Municipal Art Committee (AMAC) is requesting that the City Council adopt a resolution approving the Avondale Public Art Master Plan. The Master Plan was discussed with Council at the November 20th Work Session.

BACKGROUND:

In March 2006, the AMAC hosted a symposium to review the public art programs of other valley cities, including Phoenix, Scottsdale, Glendale, Peoria and Mesa. Following these inspirational presentations the Committee developed its own Vision, Mission, Goals and Objectives.

The Committee members used material gathered from the other valley cities and researched the web sites of cities across the country. They found that most successful programs had a plan document often called the Master Plan, which incorporates their vision, mission and goals and explains the Public Art Program's administrative processes.

DISCUSSION:

The Public Art Master Plan has been edited by members of the AMAC and was approved by the Committee at its August 24th meeting. The Plan focuses on ways to enhance community pride and Identity, educate the public about local culture and the value of public art, and promote public art in public spaces and Avondale as an arts destination. This can only be accomplished by establishing an intentional process to acquire public art and develop art related events.

The AMAC members are anxious to begin the work of acquiring and placing pieces of public art.

RECOMENDATION:

Staff recommends that the City Council adopt a resolution approving the Avondale Public Art Master Plan.

ATTACHMENTS:

Click to download

[RES - 2616-1206](#)

RESOLUTION NO. 2616-1206

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING THE CITY OF AVONDALE PUBLIC ART MASTER PLAN.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the City of Avondale Public Art Master Plan is hereby adopted in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 2616-1206

[City of Avondale Public Art Master Plan]

See following pages.

**CITY OF AVONDALE
PUBLIC ART MASTER PLAN**

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EXECUTIVE SUMMARY

Avondale's Public Art Master Plan has been developed by the Avondale Municipal Arts Committee (AMAC) whose charge is to make recommendations to the Avondale City Council on all public art policy matters.

This document describes what public art is and why it is important, as well as detailing the function of AMAC including vision and mission statements.

A working definition of public art is:

Any work of art or element of design, created by visual or public context artists, that is sited in a public place for people to experience. This can include installations, murals, outdoor sculptures, or infrastructure such as public fixtures or furniture and other function elements that are designed and/or built by artists.

Public art is a tool the city can use to help create and enhance the image of Avondale. It can help create a "sense of place," by helping to develop an identity to differentiate Avondale.

Beyond that, the Public Art Master Plan describes potential projects in terms of scale, application and venue. Finally, the document covers administration, where the management of Avondale's Public Art Collection including funding and maintenance are discussed.

Three important points are:

- The Public Art Master Plan is a dynamic, working document that will be reviewed periodically by AMAC and amended if necessary and appropriate.
- In order to ensure that public artworks reflect the character, aspirations, and attributes of Avondale's residents, AMAC will seek extensive and various kinds of community input.
- Without intentional plans for the development of public art, it will not happen. That intentionality must also extend to providing financial resources.

PUBLIC ART OVERVIEW

Americans have always had “public art.” While the terminology is relatively new, the concept of public art itself is not.

Public art adorns town squares across this country. Surplus cannons serve as proud reminders of our history. There are bronze sculptures and stone carvings of every size and shape signifying countless events. Many pay tribute to civic leaders and founders.

The term public art was recognized when governmental funding of programs occurred. Initial examples of federal support for public art in the United States occurred during the 1930s with the Works Progress Administration (WPA) and Treasury Section Art Programs.

With the creation of the National Endowment for the Arts in 1965, the move to fund public art accelerated. At that time, only a handful of public art programs existed. Today, numerous programs exist at state and local levels.

Public art is a recognized genre. Just as there are artists that specialize in photography or clay, there are artists that specialize in public art.

With the maturation of the public art genre and the professional artists who specialize in that field, Avondale as a city has many tools with which to work. We are no longer bound only by bronze sculptures of civic leaders, or surplus cannons. The canvas for public art is the City of Avondale and its palate is limited only by the citizens’ imagination.

Public Art Definition

A working definition of public art follows:

Any work of art or element of design, created by visual or public context artists, that is sited in a public place for people to experience. This can include installations, murals, outdoor sculptures, or infrastructure such as public fixtures or furniture and other function elements that are designed and/or built by artists.

In other words, public art is art that is located in public spaces. It is art that people are going to encounter on a daily basis in a public sphere as opposed to going to a museum. It can be freestanding sculpture, murals, or something integrated into a building or another infrastructure.

Why Public Art?

Public art is a tool the city can use to help create and enhance the image of Avondale. It can help create a sense of place, by helping to develop an identity to differentiate Avondale.

It can inspire. It can create further interest in the arts. Public art can bolster tourism. It can help us remember.

CITY OF AVONDALE

Historic Context

Avondale began as a humble stage stop on the Butterfield Stage Run, with a saloon and general store. During the early 1900's the post office moved to a site close to the nearby Avondale Ranch. The post office became known as Avondale, with surrounding farms and transportation routes leading to the west.

In December 1946, the City of Avondale was incorporated. Each year Avondale and nearby communities celebrate their colorful past with a parade down Western Avenue, a carnival and other community celebrations. For many years Avondale was a small quiet, agriculturally based community, with a significant Hispanic population.

In the last decade the population has become largely urban, swelling to nearly 70,000 people of diverse backgrounds. At total build out, Avondale will have a population of well over 100,000 persons.

Phoenix International Raceway (PIR) is nationally known and although named after its larger neighboring city, is actually a part of Avondale.

Demographics

Avondale demographics are a bit of a moving target because the city is growing so quickly. Using 2005 estimates, the median age in Avondale is 29 years old, as compared to Goodyear and Litchfield Park where the median ages are older at 36 and 43 years old respectively.

The median household income in Avondale is \$54,900. In Goodyear and Litchfield Park the median household incomes are higher at \$66,700 and \$82,200 respectively.

For comparison, Phoenix and Glendale both have median ages of 30 years and their respective median household incomes are \$45,400 and \$50,000. Scottsdale has a median age of 40 years with a median household income of \$65,400.

The lower median income in Avondale corresponds to the younger median age.

Avondale is comprised mainly of young families unlike Litchfield Park and Scottsdale, which have much older populations.

The younger demographics and diverse nature of Avondale should be considered when selecting public art projects.

AVONDALE PUBLIC ART

Avondale Municipal Arts Committee

On January 19, 2006, the newly established Avondale Municipal Arts Committee (AMAC) held its first general meeting. They were tasked with supporting the Public Art Policy and the continuation of thoughtful public artworks in Avondale.

A public art master planning process was initiated in 2006. The process and its culminating vision, as included in this document, support many of the goals set forth in the Avondale City Plan 2010.

It is the intent of AMAC to identify and implement public art works that provide opportunities for memorable places, objects, spaces, and experiences. In keeping with existing city planning goals, Avondale's art policy calls for the following:

- Provide public art in buildings and public spaces.
- Promote Avondale as an arts destination and a part of the larger West Valley; using public art as a major attraction for cultural tourism and economic development.
- Provide a structured process to acquire public art through donations of money, or direct donation of artwork.
- Provide for maintenance of public art throughout the city.
- Educate the citizens of Avondale and visitors about local culture and history through art.

Role of AMAC

AMAC is responsible for making recommendations to Council concerning the acquisition, maintenance, conservation, and deaccession of Avondale's Public Art Collection.

To ensure that public art reflects the character, aspirations and sensibilities of Avondale, AMAC will at various times seek community input from residents, neighborhood associations, civic leaders, business leaders, and other community leaders.

The process of bringing understanding between artists and the public through public education should be part of every public art project. Public education must precede, accompany and follow every installation. A well designed comprehensive community relations and public information program is a critical component of any successful public art program. Some components might include:

- Public meetings to discuss proposed work.
- Media coverage.
- Public lectures and slide presentations on public art.
- Public and school tours of public art sites.
- Neighborhood involvement and participation in art installations.
- Internships in the public art arena for college students.
- Signage to accompany new installations.
- Video of the progress of fabrication and installation.
- Development of a web page for public art.
- Publication of interpretive materials on specific works.
- Development of a method and process for involving the general public and the specific neighboring or stakeholder public that would need to give input to the placement of public art.

VISION

When selecting public art, AMAC will consider the following goals as guides to the identification and selection of artists and the process and implementation of artworks.

- Create and enhance the image of Avondale.
- Educate citizens about local culture and history, and provide a means to expand the boundaries of artistic endeavor in keeping with Avondale's history of creativity and exploration.
- Reflect and express the core community values including cultural and other diversities, community heritage, and history.
- Integrate into all aspects of the community.
- Include thoughtful and inclusive community participation.
- Insure that the addition of public artworks to the urban landscape be flexible, timely and relevant in context to the sites, and audiences they address.
- Showcase regional, national, and international artists.
- Integrate the work and thoughts of Avondale's design professionals and artists into the planning, design, and development.
- Create distinct places, spaces, and objects, and further Avondale's unique sense of place.
- Embrace and further Avondale's image as a city to visit, explore, and enjoy as well as a highly desirable place to live.
- Recognize that public art is an economic tool as well as a cultural one.

MISSION

The City of Avondale is committed to enriching the quality of life and creating a unique and diverse sense of place through public art.

Specifically, the mission of AMAC is:

- Provide visual art that complements public buildings, parks and plazas.
- Create a sense of place which enhances community identity.
- Improve the design quality of public infrastructure as well as the visual environment for the citizens of Avondale.
- Pursue funding and resources for public art.
- Recommend policies and procedures concerning public art.
- Cooperate with existing public and private agencies to develop programs to further development and awareness of art.

PUBLIC ART PROJECTS IN AVONDALE

Projects in Avondale consist of two types:

- Permanent/Long Term Public Art
- Temporary/Rotating Art

Permanent/Long Term Public Art Projects

Permanent/Long Term Public Art can involve artists in the design, construction, and installation of permanent works of art. They are generally site specific, or integrated into a building or another infrastructure. Purchasing or otherwise acquiring existing pieces of public art are also possible.

When the City of Avondale provides funds for any permanent art, ownership of the art needs to be clearly established. This is especially important to consider when utilizing partnerships where funds for a piece of art are derived from multiple sources.

Works of art will be acquired by the City in accordance with a predetermined selection process and will become a part of its collection. The scale, application and venue of these projects will vary, but in general will fall into four categories of scale and seven categories of application.

Scale Categories

- **Intimate** provide moments for discovery, surprise, or personal interaction. These artworks may not be immediately recognizable, but happened upon or engaging the viewer in an intimate conversation. Examples might include words, poetry, or pictographs inlaid in functional elements or places, as well as sound and visual experiences that create moments of pause, reflection, and serenity.
- **Pedestrian** engage at pedestrian scale. This includes all types of media and experiences that function for and interact with walkers, strollers, cyclists, rollerbladers, and other pedestrian activities.
- **Vehicular** engage at the vehicular scale. This includes all types, media, and experiences that function for or interact with auto, motorcyclists, and transit riders.
- **Monumental** are grand in scale and engage viewers from a distance. Although these works may also be created to work at an intimate, pedestrian, or vehicular scale, they are generally most effective when viewed from a distance allowing understanding of their entirety.

Application Categories

- **Sculptural** are three dimensional and free standing in either an indoor or outdoor setting. They are visually engaging, but not functional, or interactive in nature.
- **Environmental** engage or become the landscape or place. Environmental refers to landscaping works, earthworks, and aqua works.
- **Contextual** seamlessly engage or integrate within the urban and community fabric although artistic in intent and application. Examples include artist designed floors, paving patterns, lighting designs or other integrated works.
- **Functional** provide function for people or place either through application on existing elements or by becoming functional elements. Examples include seating components, transit stops, lighting standards, water features, cellular towers, bridges and water towers.
- **Serial** are repetitious, continuing, narrative, or create culminating or way finding experiences. These artworks are viewed as a collection of individual components, or community punctuations that, when applied in a serial manner, create an interactive journey through a particular place. Examples include a series of words on steps that creates a poem or story, or a series of artworks on a path, sidewalk, or road.
- **Decorative** are applied to an existing situation or place as add-on components. These artworks embellish or decorate the urban fabric. Examples include artist paintings on already existing furniture or walls, or application of tile, glass, and other media to existing surfaces.
- **Interactive** create opportunities for engaging people. Although they may have visual or auditory stimulation at an independent level, these works are created with a specific intention for user participation and are most successful during interaction. Examples include a sound-work that is activated by pedestrian footsteps on a pathway, or a water feature that invites people to play.

Temporary/Rotating Art

Temporary/Rotating Art are those opportunities that involve artists in the creation of works that are nonpermanent in intent and application, and do not involve artists in capital improvement project design team collaboration or the considerations of integrated or site specific construction.

- Community Art Projects
- Existing Site Projects
- Invited Rotating Art

Community Art Projects

Community art projects are created specifically for the purpose of education. These projects provide opportunities for community participation and involvement. They can

be created by groups of students or citizens (children and adults) as well as professional artists. There is no need for exceptional expertise to participate in these projects. Community art projects are dictated by their do-ability and are not so complex that they deter community participation.

- They may move or be located in multiple locations in the city.
- They may be sold at the end of their public display period. (As with all art, careful consideration should be given to the installation of the projects to insure their security during public display.)
- They may be sponsored by businesses, corporations, or organizations and the projects/works could be displayed in the general vicinity of the sponsoring party.
- Groups outside AMAC can conceptualize and execute community art projects.
- AMAC will consider stipends for professional artists involved either directly or as supervisors of community art projects.
- The process of calling for artists or planners for community art projects will be advertised publicly.

Existing Site Projects

The general characteristics that determine projects which fall under this category are that these projects will address specific sites determined by AMAC. The site locations will be determined by the ability of the site to accommodate art as an improving element. The basic premise of these projects is that they will improve and enhance the appearance of the sites where they are located.

- As sites are identified, AMAC will solicit project concepts from artists or organizations.
- These projects will not be limited to public space but may be placed in or on privately owned property.
- Artists proposing existing site projects may solicit sponsorship from site owners, where appropriate.

Invited Rotating Art

Invited rotating art includes temporary exhibits. Sites will be selected based on visibility and their ability to accept and adequately showcase these projects, both outdoor and indoor settings will be included.

- Invited rotating art projects are selected by AMAC and may include a jury process to be determined by AMAC.
- AMAC will identify potential sites throughout the city.
- As deemed appropriate by AMAC, artists may be paid a stipend or honorarium to offset costs related to transportation and installation of the work. If AMAC should

recommend the work be added to the city's permanent collection, any stipend fee previously paid to the artist will be applied to the purchase price of the work.

- If required, AMAC will actively solicit funding or sponsorship for exhibits and or sites.
- Interpretative information about the artist, artwork, project duration, and an artist statement will be included at each site.
- AMAC may solicit artist entries through a prospectus describing the nature of the project, budget, concept guidelines, etc., or they may limit or directly select artists for participation in invited rotating art projects.

Project Venues

AMAC has identified seven types of venues for permanent and long term art concentration. They are:

- Gateway Projects
- Streetscape Projects
- Neighborhood Projects
- Park and Community Center Projects
- Community Wide Projects
- Building Projects
- Infrastructure Projects

Gateway Projects welcome people to areas. Artworks may be used to enhance the character and distinction of an area by either marking or defining boundaries and/or entrances into Avondale, unique/significant districts, and individual neighborhoods. Gateway Projects offer an opportunity to signify and identify places and enhance, enrich, and orient the community's landscape. In addition, Gateway Projects can target key intersections, bike paths, and trail systems. In general, these projects are viewed as larger in scale and broader in application.

Primary Scale Categories: Vehicular, Monumental and Limited Pedestrian

Primary Application Categories: Sculptural or Environmental

Streetscape Projects connect people to places. They serve to improve the visual character, comfort, and circulation ease of the city through exceptional design in physical amenities such as street furnishings, seating, trash receptacles, lighting, signage, paving patterns, and plantings. Because many of these amenities are considered design standards for urban environments, substituting these amenities as public art projects is neither a mental nor financial leap for decision-makers. Funds set aside to purchase these amenities can instead be used to create more aesthetically pleasing and pedestrian friendly features and places.

Primary Scale Categories: Pedestrian, Limited Vehicular and Intimate

Primary Application Categories: Sculptural, Functional, Serial, Decorative, and Interactive

Neighborhood Projects bring people together. These projects will enhance shared experiences, celebrate community diversity, record community history, identify unique flavor and authenticity, and create neighborhood distinction. Neighborhood signage is an example of celebrating a district and designating a neighborhood's boundary.

Primary Scale Categories: Pedestrian, Limited Vehicular and Intimate

Primary Application Categories: Sculptural, Functional, Serial, Decorative, and Interactive

Park and Community Center Projects engage people. Artworks for parks and community centers will recognize the leisure activities accommodated at individual sites. Park sites are envisioned as opportunities for artworks that offer tactile experiences, invite interaction or participation, establish resting places or focal points, or respond to natural elements or landscape features of the site.

Primary Scale Categories: Pedestrian, Limited Vehicular and Intimate

Primary Application Categories: Sculptural, Environmental, Contextual, Functional, Serial, and Interactive

Community-Wide Projects orient people. These artworks will promote the city's history, present and future, make beautiful places, ease circulation and way finding, celebrate cultural diversity and expression, foster community pride, and most importantly create memorable places and experiences. Memorable places and experiences provide recollection, further city identity, and orient both residents and visitors to a sense of place.

Primary Scale Categories: Monumental, Vehicular, Pedestrian, and Intimate

Primary Application Categories: Sculptural, Environmental, Contextual, Functional, Serial, Decorative, and Interactive

Building Projects attract people. Distinctive and aesthetically designed buildings are more desirable and user-friendly spaces. Where possible, public artworks addressing this area will be included in capital budgets at conception and will include AMAC as part of the collaborative design team. In general, artworks will be site specific or integrated into the building and built at the same time as the building.

Primary Scale Categories: Intimate, Pedestrian

Primary Application Categories: Sculptural, Contextual, Functional, Serial, Decorative, and Interactive

Infrastructure Projects instill pride in people. While infrastructure commonly refers to public work projects such as roads, power and water systems, and public

transportation, AMAC encourages a wider definition of the word to include a cultural infrastructure. Infrastructure elements, components, and projects can be designed so the value of specific service elements such as storm sewers, water distribution mains, freeway overpasses, and solid waste transfer stations become pleasing public symbols of community pride.

Primary Scale Categories: Vehicular, Limited Monumental and Pedestrian

Primary Application Categories: Sculptural, Environmental, Contextual, Serial, and Decorative

Inclusion Criteria

The following criteria will be used as standard for all public artists and artworks considered for inclusion in Avondale's public art realm.

Collaboration: Projects should promote collaboration between the selected artist and the City as well as with any other design professionals involved in the process. This collaboration shall occur from the beginning of the design process.

Visibility: Artworks should be located in areas where residents and visitors live and congregate, and shall be highly visible to as many of Avondale's citizens and visitors as possible.

Accessibility: Artworks should be accessible to all elements of the community with special consideration given to providing aesthetic experiences for the disabled. Access shall comply with provisions of the Americans with Disabilities Act as well as local and state laws.

Quality: Project materials and design shall be of the highest quality to ensure the enduring character of the artwork and eliminate the need for unusual maintenance. Artwork deliberately designed to oxidize, change texture color or shape as part of its original concept and design should have it noted as such in writing and presented to AMAC as part of the artist's original proposal.

Appropriateness to Site: Artworks should reflect the uniqueness of Avondale and be designed with respect to scale, material, and character of the site. The artwork should take into consideration the immediate host structure or space, and as appropriate, the surrounding built and natural environment. In addition, vistas, history of the site and community, social dynamics of the site, and any future planned neighboring structures and uses should be considered. The artwork must meet City standards for encroachment on public right-of-ways.

AMAC is responsible for making decisions as to the management, acquisition, maintenance, conservation, deaccession, and interpretation of the works designated as part of the Public Art Collection. Management, maintenance, conservation,

deaccession are discussed in the administration section. Acquisition and interpretation are discussed below:

Acquisition Types

Commission refers to the contracting of an artist to create a new original artwork for a specific site or project that becomes part of the Public Art Collection. Artist Review Panels may be appointed to evaluate and recommend artists for commission. In addition to members of AMAC, the panel may include City of Avondale staff members, the community at large, artists, and members of the community.

Open Competition or a “Call to Artists” for a specific project may be used in conjunction with a review panel or in lieu of a review panel. Artists will be asked to submit evidence of past work, credentials and/or proposals. Calls for entries for open competition will be sufficiently detailed to permit artists to determine whether their work is appropriate to the project under consideration.

Limited or Invitational Competition may also be used for a specific project. Artists shall be invited based on their past work and exhibited abilities to meet the goals for a specific project.

Direct Selection by AMAC may also be used for a specific project.

Purchase of an existing art work for a project or site may be used in lieu of commissioned art work, when such a piece meets the goals and objectives for the site and is available for purchase. Such purchases will be as deliberative as those for commissioned works of public art.

Loan: From time to time artworks may be placed at an Avondale site on loan. The artwork would remain the property of the owner or artist. A loan agreement would be executed that would specify the details regarding the cost of packing, transporting, installation, insurance and maintenance of the artwork. The loan agreement shall state a specific term of the loan and the donor must complete a loan form.

Gift: A gift would be artwork offered to the City of Avondale without direct financial obligation in assuming legal title. AMAC will develop guidelines and procedures for accepting such gifts. The donor must complete a Deed of Gift which stipulates the conditions under which the artwork is transferred to the ownership of the City. AMAC will select the appropriate location for the artwork and consider the liability issues associated with the artwork, including susceptibility to damage, danger to the public or other special considerations. Consideration shall be given to the cost of installation and to the care and maintenance of the artwork.

Interpretation and Community Education

Each piece of public art will have documentation that describes the access, lighting, identification, public information, publications and other materials necessary for the public to enjoy and embrace the art work.

Interpretation refers to the manner and methods by which information about the artwork is shared. The City of Avondale and AMAC have a responsibility to see that a minimum level of interpretation relating to all artworks owned by the city is conveyed to the public.

This includes:

Physical and Visual Access: The artwork must be in a location that is easily accessible to the public. Public buildings, shrubbery, signs, or other natural or man-made features or structures must be maintained and must not impede access physically or visually to the artwork.

Lighting: As appropriate, the artwork shall be illuminated so that it can be seen at night.

Identification: The artwork should be clearly identified in writing, including title, artist, date, donor (if applicable), and any other information deemed appropriate. A label, plaque, sign, or other means of communicating such information should be installed in close proximity to the artwork, though its design must be sensitive so that it does not detract from the artwork itself.

Public Access to Information: Accurate and up-to-date records on all artworks will be maintained in the office of the City Manager. Such records will be available to the public by appointment. Whenever possible, information about artworks will be posted on relevant websites.

ADMINISTRATION

Origination

The second goal in the FY04-05 City Council's goals was to "provide quality of life options and opportunities in the community." The council furthered that goal with a specific objective to "establish an Arts and Culture Committee and explore funding options for public and performing arts."

It was decided that an amount equal to 5% of the current level of General Fund support to the Capital Improvement Plan (CIP), which would result in initial funding for Public Art of \$100,000 and would reduce funding for the CIP by that amount.

The meeting on July 18, 2005 also recommended that an art committee be established and used to develop a public arts program and administer the program with staff support.

It was further recommended that this committee have a role of recommending projects, design concepts or specific purchases, as well as placement of the art.

Funding

The Avondale City Manager's Office will be directly responsible for the acquisition, maintenance and recommended funding of public art as part of the annual operating budget to the City Council.

The funding will be based on the 5% amount appropriated to the general CIP beginning July 1 of each fiscal year. Any additional funds secured through grants, foundations or other sources to the Public Art Program shall be held in a dedicated, interest-bearing account for the program or project. Unspent funds will be carried over. Expenditure of funds will be authorized and processed through the City Manager's Office according to the City's rules and procedures.

Possible Funding Options

Without intentional plans for the development of public art, it will not happen. That intentionality must also extend to providing financial resources. Possibilities include:

- Hotel room tax percentage for public art.
- Parks/Greenway bond funds with a percentage for public art.
- All **public** development include a percentage of project cost for public art.

- Allocate a percentage of a specific revenue stream to public art, i.e. a portion of the residential rental privilege use tax.
- Grant and foundation funding.
- Public/Private partnerships.
- Private business development required to pay a percentage of project cost to a Public Art Fund (legislature considering barring this option for cities).

Documentation of Works of Art

Once a work of art is accessioned into the Public Art Collection, it will be the responsibility of AMAC to create documentation for the work of art. The City Manager's Office will be responsible for the safekeeping of all hard copy and electronic documentation. The documentation for every accessioned work of art will consist of an accession form, accession ledger entry, catalog sheet, artist information sheet, and inventory records; it may also include other relevant records such as a photograph of the work, materials record, loan agreement, deed of gift, copyright agreement, deaccession worksheet, conservation records, and other historical records.

Accession Form

Specifically identifies the artwork as well as artist contact information.

Accession Ledger

When a work of art is accessioned into the collection, it will be assigned an accession number by AMAC. The format for the number will be two-parts, consisting of the year accessioned followed by the numerical order accepted for that year. For example, the accession number 2005.1 would be used for the first work of art accepted in the year 2005. The accession number will be marked in a reversible manner on an inconspicuous place on the work of art. The accession number will be placed on all records related to the work of art. Each work of art will be registered into the accession ledger, listing the accession number, title, artist, date, medium, and location of the work of art.

Catalog Sheet

A catalog sheet will be created for every accessioned work of art. The catalog sheet provides descriptive information about the work of art.

Artist Information Sheet

The artist will complete an Artist Information Sheet once the work of art is accessioned into the collection. The Artist Information Sheet includes information about the artist and about fabrication, installation, and the care of the artwork.

Inventory

In conjunction with condition assessments, AMAC will periodically conduct an inventory of all works of art in the collection.

Maintenance and Conservation

The acquisition of art, especially artworks acquired in public trust, entails a legal and moral commitment to long-term stewardship. AMAC, under the administration of the City Manager's Office, assumes this on-going responsibility.

Assessment

AMAC will conduct a periodic survey of the Public Art Collection. A Condition Report will be completed for each artwork. Completed Condition Reports will be filed in the individual file for each object. The survey will serve as the basis for prioritizing maintenance and conservation needs of the collection. A report shall be prepared upon the completion of the survey summarizing maintenance and conservation needs. This report shall be submitted to the City Council.

Routine Maintenance

Routine maintenance will be conducted by AMAC, or a designee. Artists must submit an Artist Information Sheet for each artwork acquired by the City of Avondale. Such information sheets will detail specific maintenance requirements that must be followed. AMAC must approve any deviation from the routine maintenance. A record of routine maintenance must be filed in each artwork's individual file.

Conservation Procedures

Conservation Treatment Proposals: All treatment proposals, bid acceptances, bid approvals, and conservation treatments must be administered by the City Manager's Office and approved by AMAC. Proposals shall be filed in the appropriate individual files.

Conservation Treatment: Any conservation treatment carried out on the Public Art Collection of the City of Avondale will be carried out by or under the advisement of conservator(s) who abide by the American Institute for Conservation Code of Ethics.

Conservation Treatment Reports: The treating conservator will document in writing any treatment carried out on artwork(s) from the Public Art Collection. Such reports will be filed in the appropriate individual files.

Photographic Documentation: Conservation reports will include photographic documentation of the object before, during, and after treatment. All photographs shall be labeled, dated, and filed in the appropriate individual files.

Deaccession

Deaccession is the process of permanently removing an artwork from the collection. This process must be cautious, deliberate, and scrupulous. Standards applied to deaccession must be just as stringent as those applied to acquiring works of art. The City of Avondale must be certain that it has clear title to any object being considered for deaccession. Because of the seriousness of the process, all applications for deaccession must be reviewed by AMAC and approved by the Avondale City Council.

Deaccession Criteria

Any object being considered for deaccession must meet at least one of the following criteria:

- Outside of the scope of the collection.
- Endangers public safety.
- In such poor condition that restoration is impossible or will render the work false.
- Damaged and repair is financially unreasonable (because the cost exceeds the current market value of the artwork) or is unfeasible in the judgment of an independent conservator.
- The security of the artwork cannot be guaranteed.
- No longer exists because of theft, accident, or an act of God.
- Requires excessive maintenance or has significant faults of design or workmanship.
- Proved to be fraudulent, not authentic, or in violation of existing copyright laws.
- Not displayed and no plans exist for future display.
- Significant changes in the use, character, or design of the site where the work is displayed prohibit its continual display.

Procedures for Deaccession

In-house Review

The City Manager's Office will make recommendations to AMAC for deaccession after in-house review. This process will include:

- A review of acquisition records (accession forms, donor forms, artist information sheets, etc.) which may be pertinent. The City Attorney or other legal staff must be consulted to review Legal contracts.

- A dialogue with the artist or donor of an artwork about the concerns that prompted the review. When possible, the artist or donor will be notified in writing before an artwork is recommended for deaccession.
- The receipt of a written opinion from an independent professional (curator, conservator, historian, architect, engineer, art historian, etc.) qualified to make a recommendation on deaccession.
- Review of written correspondence, media coverage, or other evidence of public opinion, if applicable.
- Submission of a completed “Deaccession Worksheet” which details the recommendations to the Committee.
- AMAC Review.
- AMAC will review the City Manager’s Office recommendation for deaccession. Specific issues to be reviewed include:
 - Have reasonable efforts been made to resolve the problem(s) that led to the recommendation for deaccession so that deaccession will not be warranted?
 - Do alternatives exist for the long-term disposition of the artwork short of deaccession? If, after review by AMAC, the artwork is deemed appropriate for deaccession, a formal recommendation will be made to and approved by the Avondale City Council. Such recommendation will include a copy of the completed Deaccession Worksheet for the artwork, plus a written statement from AMAC confirming its support of the City Manager’s Office recommendation.

Options for Disposition

Whenever possible, the artist or donor will be notified of plans for deaccession and given first option of acquiring the artwork through purchase, trade, or other means. Should the artist or donor not wish to acquire the artwork, one of the options listed below must be recommended.

- Sale (public auction, sealed or open bid)
- Trade
- Loan to another institution
- Donation to another institution

Disposal or Destruction Costs

The City of Avondale will be responsible for all costs involved in removal, relocation, and/or destruction unless the artist, donor, or other individual or institution acquiring the artwork agrees to assume such costs.

Profits

Any profits from the sale of artworks by the City of Avondale must be credited toward future acquisitions of art and/or care and conservation.

Documentation

A copy of the completed Deaccession Form and other project documents must be kept on file in the City Manager's office.

Using Artwork to Promote Avondale

When possible, information on the City of Avondale's Public Art Collection shall be made available to the public in the form of press releases, brochures, leaflets, website information, etc.

Any work of art held by Avondale via any method, whether permanent/long term or temporary/rotating art, will include an agreement granting the city permission to photograph or scan images of the art work for the following purposes:

- Archival
- Publicity and Promotion
- Publication
- Web page
- Brochures
- Film or Television programs published, produced or sponsored by or with the permission of AMAC and the City of Avondale

Construction Contracts Involving Artists

When an artist is engaged in a project involving other contractors, such as a general contractor, the contracts should specify that a contractor will be working with an artist.

GLOSSARY

The following definitions are included to provide a better understanding of this document.

Accession: The procedure followed to log in, designate, and incorporate an artwork or art place into an art collection.

Acquisition: The inclusion of an artwork or art place in a permanent art collection whether through a commission, purchase, gift, or other means.

Art Concept: An idea or concept, whether realized or not, developed by an artist, artists, or a collaboration of design professionals.

Art Project: An identified site or sites where an identifiable type of artwork or art place will be installed, its estimated budget, and time schedule for completion. Usually the individual artwork or art place will not have been identified.

Art Place: A space designed by an artist, working alone or in collaboration with other design professionals, to create a place of unified aesthetic.

Artwork: A tangible creation by an artist.

Art Community: A community of artists and art-related individuals and professionals.

Artist Review Panels: Individual panels formed to select artists for recommendation to the Committee. These panels are formed for a limited period of time to review works of artists for specific projects. They are generally disbanded once artist selection is complete.

Cityscape: Term used to describe the unique character of a city as expressed through its culture, built environment, natural environment, Public Art, open spaces, streets, people and neighborhoods. It could also be called the landscape or visual character of the city.

Commission: The contracting of an artist to create an original artwork that becomes part of the Public Art Collection.

Contract or Agreement: A binding, legal document by which parties agree to perform certain services.

Construction Drawings: Blueprints and drawings, which indicate the technical aspects of an installation of artwork or other Cityscape elements.

Deaccession: The removal of artwork or art place from permanent display, whether it is disposed of or not.

Design Collaboration: Projects created through the coequal, cooperative design efforts of design professionals, such as artists, architects, and landscape architects.

Design Professionals: individuals professionally trained in design, such as architecture, landscape architecture, art, graphics, and urban design; also graphic, industrial, interior, and clothing design.

Gift: Artwork offered to and accepted by the City of Avondale without direct financial obligation in obtaining legal title.

Jury: A group of people, often experts, selected to decide the winners and award the prizes in a competition.

Maquette: A usually small preliminary model (as of a sculpture or building).

Operating Budget: The portion of Avondale's annual budget dedicated to providing ongoing programs and services for the citizens.

Permanent Installation: Artwork or an art place which has a permanent site as opposed to a temporary site.

Portable Art Works: Artworks which are intended to be rotated from place to place.

Preliminary Drawings: The conceptual drawings or sketches which the artist uses to help design the proposed artwork. Drawings may or may not be used in a final work. These are especially applicable to two-dimensional works and generally serve as the maquette.

Proposal Drawings: These drawings show the specific plans of the artist for the project and what should be submitted to the Committee for review.

Public Art: Any work of art or element of design, created by visual or public context artists, that is sited in a public place for people to experience. This can include installations, murals, outdoor sculptures, or infrastructure such as public fixtures or furniture and other function elements that are designed and/or built by artists.

Public Art Master Plan: Document prepared by AMAC and approved by the Avondale City Council that outlines Public Art programs, projects, procedures, priorities and funding strategies to be followed over a period of time.

Public Places: All privately or publicly owned spaces, indoor or outdoor, which are generally accessible to the public.

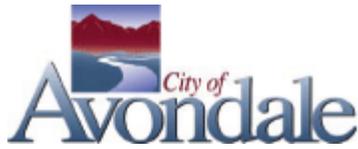
Purchase: Artwork acquired through the direct financial obligation of the City of Avondale or its designated representative that becomes part of the Public Art Collection.

Scale: A proportion used in determining the dimensional relationship of a representation to that which it represents.

Site Specific: An installation designed specifically for a particular place at a specific time.

Venue: The scene of any event or action.

Visual Arts Professionals: Those persons trained in some medium of the visual arts or an activity pertaining to the visual arts, such as a visual artist, an art critic, collector, arts superintendent, or a curator.



CITY COUNCIL REPORT

SUBJECT:

Resolution 2614-1206 - Revising the Avondale
Municipal Art Committee By-Laws

MEETING DATE:

December 4, 2006

TO: Mayor and Council
FROM: Rogene Hill
THROUGH: Charlie McClendon, City Manager

PURPOSE:

The Avondale Municipal Art Committee (AMAC) is requesting that the City Council approve a Resolution to revise the by-laws of Municipal Art Committee and increase the number of members from seven to nine. The Committee is charged with developing the City's Public Art Program with staff support.

BACKGROUND:

The Municipal Art Committee was established in 2005 in line with the City Council's Goal to "Provide quality of life options and opportunities in the community". The Municipal Art Committee's role is to recommend projects, design concepts, or specific purchases to City Council for final approval.

DISCUSSION:

Interest in the Municipal Art Committee has grown over the past year. All seven of the initial seats are filled and there are two alternates that regularly attend meetings. To accomplish the many goals of the Committee, it is recommended that the regular seats be expanded from seven to nine with two alternates, one of whom will be a regular member who cannot attend regularly, due to work related commitments.

The AMAC has developed a sub-committee structure to focus on the different aspects of their program. Increasing the number of members from seven to nine will provide the additional human resources needed to pursue the many creative ideas the Committee wants to develop.

RECOMENDATION:

Staff recommends that the City Council approve a Resolution to revise the by-laws of Municipal Art Committee and increase the number of members from seven to nine.

ATTACHMENTS:

Click to download

 [RES - 2614-1206](#)

RESOLUTION NO. 2614-1206

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE MUNICIPAL ARTS COMMITTEE RULES AND PROCEDURES.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the City of Avondale Municipal Arts Committee Rules and Procedures, Section I, Establishment and Membership, subsection A, is hereby amended as follows:

- A. The Avondale Municipal Arts Committee (the "Committee") shall be composed of NINE ~~seven~~ voting members plus TWO ~~one-alternate~~ ALTERNATES and one standing ex officio member. The Committee shall consist of one Avondale business owner, one Avondale resident who is a visual or performing artist, SEVEN ~~five~~ Avondale residents with interest or expertise in the arts, and one standing ex-officio member from the West Valley Arts Council. Persons who consider themselves a patron of the arts are welcome to apply for seats on the Committee.

SECTION 2. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

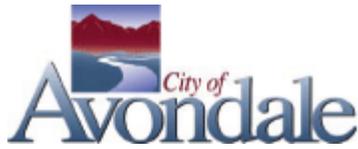
Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY COUNCIL REPORT

SUBJECT:
Ordinance 1219-1206 Amendment Chapter 17 - Fishing
Regulations

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Daniel Davis
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting City Council adopt an ordinance amending Chapter 17 of the City of Avondale Municipal Code regarding fishing regulations.

BACKGROUND:

On December 6, 2004, Council adopted an ordinance that amended Chapter 17 of the City of Avondale Municipal Code which aligned our park rules with the fishing regulations of Arizona Game and Fish.

DISCUSSION:

The amended city code states; "unless otherwise posted, fishing shall be allowed at the Crystal Gardens Water Treatment Facility (the "Facility") in accordance with the rules and regulations established by the Arizona Department of Game and Fish for the Facility".

In consultation with the Police Department and City Court staff, it has been recommended that we amend the code to specifically list the regulatory provisions for clarification purposes. The amended code will not change the current regulations, but merely provide a clearer understanding of the provisions. The amended code will state;

Article III. Fishing in Parks.

17-31 Designated fishing areas.

Unless otherwise posted, fishing shall be allowed at the Crystal Gardens Water Treatment Facility (the "Facility"), subject to the following regulations:

- (a) Fishing will be "catch and release" only. No fish may be removed from the Facility.
- (b) Fishing shall be allowed consistent with hours of operation set forth in this chapter or as otherwise designated in the park rules and regulations.
- (c) Fishing is restricted to one line per person, which line must be attended to at all times. No more than one hook may be attached to each line and all hooks used for fishing at the facility shall be barbless or skinned.
- (d) Only live worms, artificial baits and artificial lures will be accepted as bait for fishing purposes. No other forms of bait or methods to catch fish shall be allowed. No artificial lighting, such as flashlights, car headlights or lamps of any type will be allowed to be shown on the water surface.

RECOMENDATION:

Staff recommends that the City Council adopt an ordinance amending Chapter 17 of the City of Avondale Municipal Code regarding fishing regulations.

ATTACHMENTS:

Click to download

 [ORD - 1219-1206](#)

ORDINANCE NO. 1219-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE AVONDALE CITY CODE, CHAPTER 17, PARKS AND RECREATION, RELATING TO DESIGNATED FISHING AREAS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the Avondale City Code, Chapter 17, Parks and Recreation, Article III, Fishing in Parks, Section 17-31, Designated fishing areas, is hereby deleted in its entirety and replaced with the following:

17-31 Designated fishing areas.

Unless otherwise posted, fishing shall be allowed at the Crystal Gardens Water Treatment Facility (the "Facility") in accordance with the rules and regulations established by the Arizona Department of Game and Fish for the Facility and this chapter, as follows:

- (a) Fishing will be "catch and release" only. No fish may be removed from the Facility.
- (b) Fishing shall be allowed consistent with hours of operation set forth in this chapter or as otherwise designated in the park rules and regulations.
- (c) Fishing is restricted to one line per person, which line must be attended to at all times. No more than one hook may be attached to each line and all hooks used for fishing at the facility shall be barbless or skinned.
- (d) Only live worms, artificial baits and artificial lures will be accepted as bait for fishing purposes. No other forms of bait or methods to catch fish shall be allowed. No artificial lighting, such as flashlights, car headlights or lamps of any type will be allowed to be shown on the water surface.

SECTION 2. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

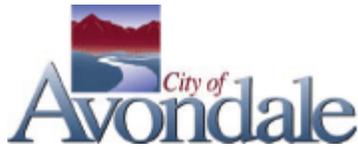
Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY COUNCIL REPORT

SUBJECT:
ORDINANCE 1216-1206 - CONVEYING REAL
PROPERTY - BUREAU OF RECLAMATION

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Steve Ruppenthal
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council adopt an ordinance conveying real property to the Bureau of Reclamation and United States of America and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

On January 17, 2006 City Council approved the Final Plat for the Del Rio Ranch Phases 1 and 2 Residential Subdivision, which is bounded by Durango to the north, Avondale Blvd. to the east, Lower Buckeye to the south and El Mirage to the West (refer to attached vicinity map). The development will include one municipal well, a SRP paired well and one booster facility and reservoir.

The subdivision will be developed by Taylor Woodrow Homes.

Prior to this development, the area in question was part of an active farming operation. Consequently, there are a number of existing irrigation easements dedicated to SRP and the Bureau of Reclamation which need to be relocated in association with the residential development.

DISCUSSION:

Adoption of the ordinance will allow a land swap with the Bureau of Reclamation.

1. USA Easement: The City is in the process of constructing a well on the southeast corner of Durango and El Mirage. A portion of the property required to construct the well belongs to the United States of America. To complete this process, it will be necessary to convey fee property and an easement to the United States of America in exchange for the well site property. The General Deed Warranty facilitates this action.

Taylor Woodrow Homes has provided documentation to SRP taking responsibility for any cost incurred by SRP during the relocation of the irrigation facilities.

BUDGETARY IMPACT:

There is no budgetary impact associated with conveyance of the easement and real property to SRP and the Bureau of Reclamation.

RECOMENDATION:

Staff recommends that the City Council adopt an ordinance conveying real property to the Bureau of Reclamation and United States of America and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

 [ORD - 1216-1206](#)

ORDINANCE NO. 1216-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AUTHORIZING THE CONVEYANCE OF REAL PROPERTY TO THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION FOR CONSTRUCTION, RECONSTRUCTION, OPERATION AND MAINTENANCE OF WATER DISTRIBUTION SYSTEM PIPELINES.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the conveyance of \pm 0.018 acres of real property, generally located south of Durango Street, along El Mirage Road, to the United States Department of the Interior Bureau of Reclamation is hereby authorized in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
ORDINANCE NO. 1216-1206

[General Warranty Deed]

See following pages.

ORIGINAL

Contract No. 06LE323748
Case No. 05-036

Exempt per A.R.S. 11-1134-A3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

SALT RIVER PROJECT

GENERAL WARRANTY DEED

KNOW ALL PEOPLE BY THESE PRESENTS that the Salt River Project Agricultural Improvement and Power District (SRP), an agricultural improvement district organized and existing under the laws of the State of Arizona, intends to relocate an irrigation facility acquired for an irrigation system to a new location; and,

WHEREAS, the UNITED STATES OF AMERICA, hereinafter referred to as "United States," owns real property along the existing irrigation facility and the City of Avondale, an Arizona municipal corporation, hereinafter referred to as "Grantor," owns the fee title to the real property onto which the irrigation facility will be relocated; and,

WHEREAS, Grantor desires to grant and convey to the United States and its assigns that certain real property needed for the relocated facilities in exchange for the real property no longer needed for project purposes; and,

WHEREAS, the United States will quitclaim its interest, if any, in and to the real property no longer needed by Contract No. 06LE323750 to **Taylor Woodrow/Arizona, Inc., an Arizona corporation.**

NOW THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, and in accordance with the Reclamation Act of June 17, 1902 (32 Stat. 388), the Reclamation Project Act of 1939 (53 Stat. 1187), and all acts amendatory thereof or supplementary thereto, Grantor does hereby grant and convey unto the United States and its assigns all that certain real property situated in the County of Maricopa, State of Arizona, described on Exhibit "A" which is attached hereto and by this reference made a part hereof.

The acquiring federal agency is the U.S. Department of the Interior, Bureau of Reclamation.

Grantor covenants and warrants that it is lawfully seized and possessed of the real property aforesaid and has the full right,

power and authority to execute this conveyance, and that said real property is conveyed subject only to existing easements and rights-of-way of record for public roads and highways, public utilities, railroads and pipelines, and mineral rights reserved to or outstanding in third parties as of the date of this General Warranty Deed.

TO HAVE AND TO HOLD by the United States, its successors and assigns forever, all and singular said premises together with all the rights and appurtenances thereto. The Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend all and singular said premises unto the United States and its assigns against every person whomsoever lawfully claiming them or any part thereof.

IN WITNESS WHEREOF, the Grantor has executed this General Warranty Deed this _____ day of _____, _____.

**City of Avondale, an Arizona
municipal corporation**

By: _____

Title: _____

ACKNOWLEDGMENT

State of Arizona)
) ss.
County of Maricopa)

On this ____ day of _____, _____, before me,
_____, a Notary Public in and for said
County and State, personally appeared _____,
_____, on behalf of the **City of Avondale, an
Arizona municipal corporation**, known to me to be the person
described in the foregoing instrument, and acknowledged to me
that he/she executed the same in the capacity therein stated and
for the purpose therein contained.

Notary Public in and for said
County and State

June 19, 2006

LEGAL DESCRIPTION FOR
DEL RIO RANCH
NEW U.S.A. FEE PROPERTY PARCEL NO. 3

That part of the Southwest Quarter of Section 13, Township 1 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Brass Cap in handhole marking the West Quarter Corner of said Section 13, from which the Brass Cap in handhole marking the Southwest Corner of said Section 13 bears South 00°33'56" West, a distance of 2,666.88 feet;

Thence South 00°33'56" West, along the West line of the Southwest Quarter of said Section 13, a distance of 38.01 feet to a point on a line which is parallel with and 38.00 feet Southerly, as measured at right angles, from the North line of the Southwest Quarter of said Section 13, said point also being the True Point of Beginning;

Thence North 89°27'11" East, departing said West line, along said parallel line, a distance of 33.01 feet to a point on a line which is parallel with and 33.00 feet Easterly, as measured at right angles, from the West line of the Southwest Quarter of said Section 13;

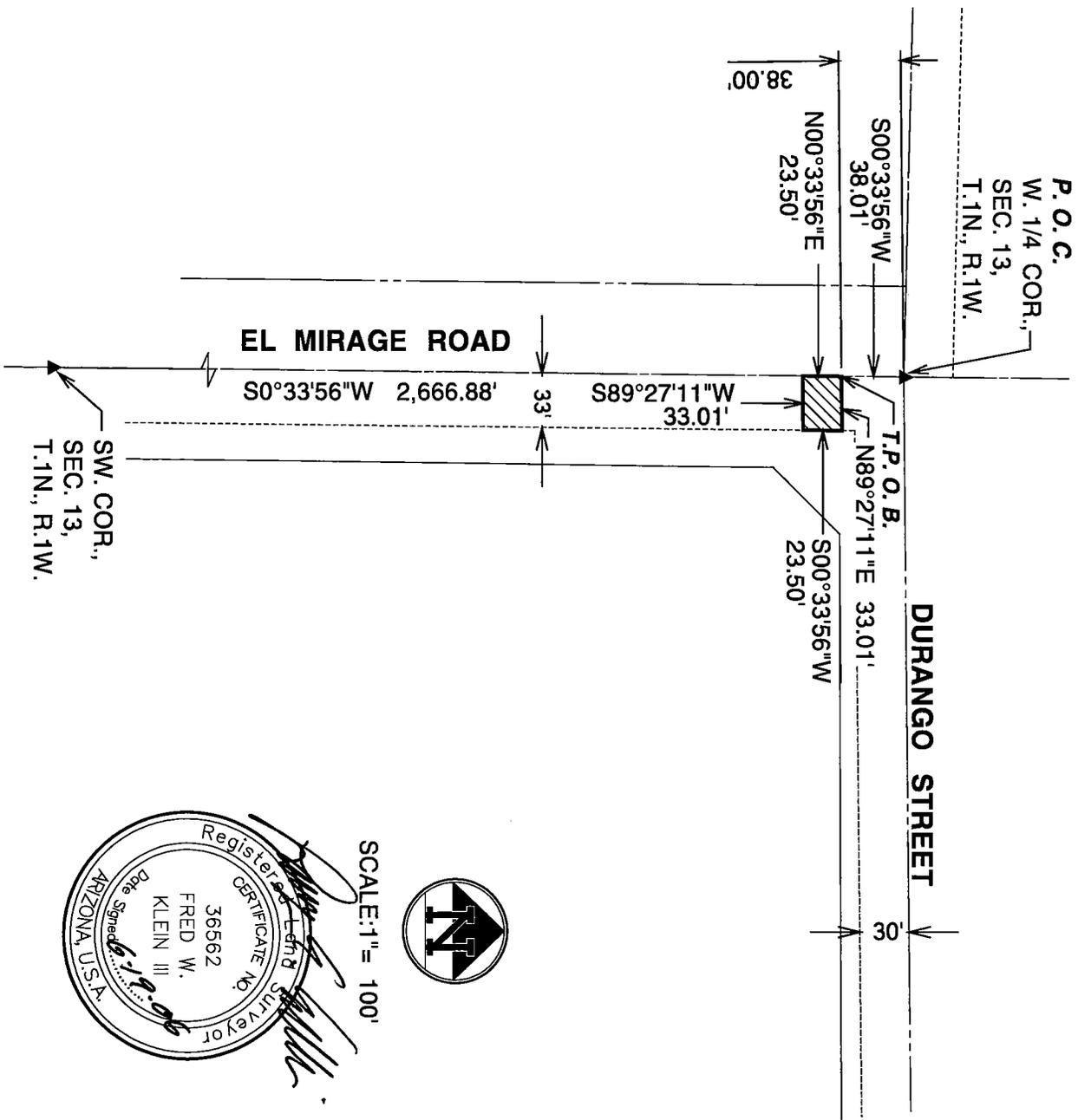
Thence South 00°33'56" West, along said parallel line, a distance of 23.50 feet to a point on a line which is parallel with and 61.50 feet Southerly, as measured at right angles, from the North line of the Southwest Quarter of said Section 13,

Thence South 89°27'11" West, along said parallel line, a distance of 33.01 feet to a point on the West line of the Southwest Quarter of said Section 13;

Thence North 00°33'56" East, along said West line, a distance of 23.50 feet to the True Point of Beginning.

Containing 0.018 Acres, more or less.



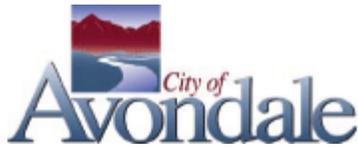


Register of Deeds
 CERTIFICATE NO. 36562
 FRED W. KLEIN III
 Date Signed 6-19-06
 Surveyor
 ARIZONA, U.S.A.

SCALE: 1" = 100'



EXHIBIT N:\030113\LAND\EHUSA03.DGN	DEL RIO RANCH NEW U.S.A. FEE PROPERTY PARCEL NO. 3	JOB NO 030113
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 1



CITY COUNCIL REPORT

SUBJECT:
Ordinance 1222-1206 County Land Auction

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Daniel Davis
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting City Council adopt an ordinance authorizing the City of Avondale to participate in the Maricopa County Tax Deeded Land Auction.

BACKGROUND:

The Maricopa County Treasurers office has notified the City of Avondale that they will be conducting a Tax Deeded Land Auction to clear their books of parcels of property that have been foreclosed due to delinquent taxes foreclosures. Most of the parcels were created years ago by errors in the recorded deeds.

DISCUSSION:

The County Treasurer has indicated that two (2) of the parcels in the City of Avondale are located adjacent to city owned property. Staff believes that it would be appropriate for the City of Avondale to acquire these small parcels and combine them with the existing city properties. The land auction will be conducted on-line on December 7, 2006. The successful bidder will be responsible for the tax bill that is in arrears.

BUDGETARY IMPACT:

The property tax information for the two (2) parcels that the City is interested in acquiring is \$5,252.23

RECOMENDATION:

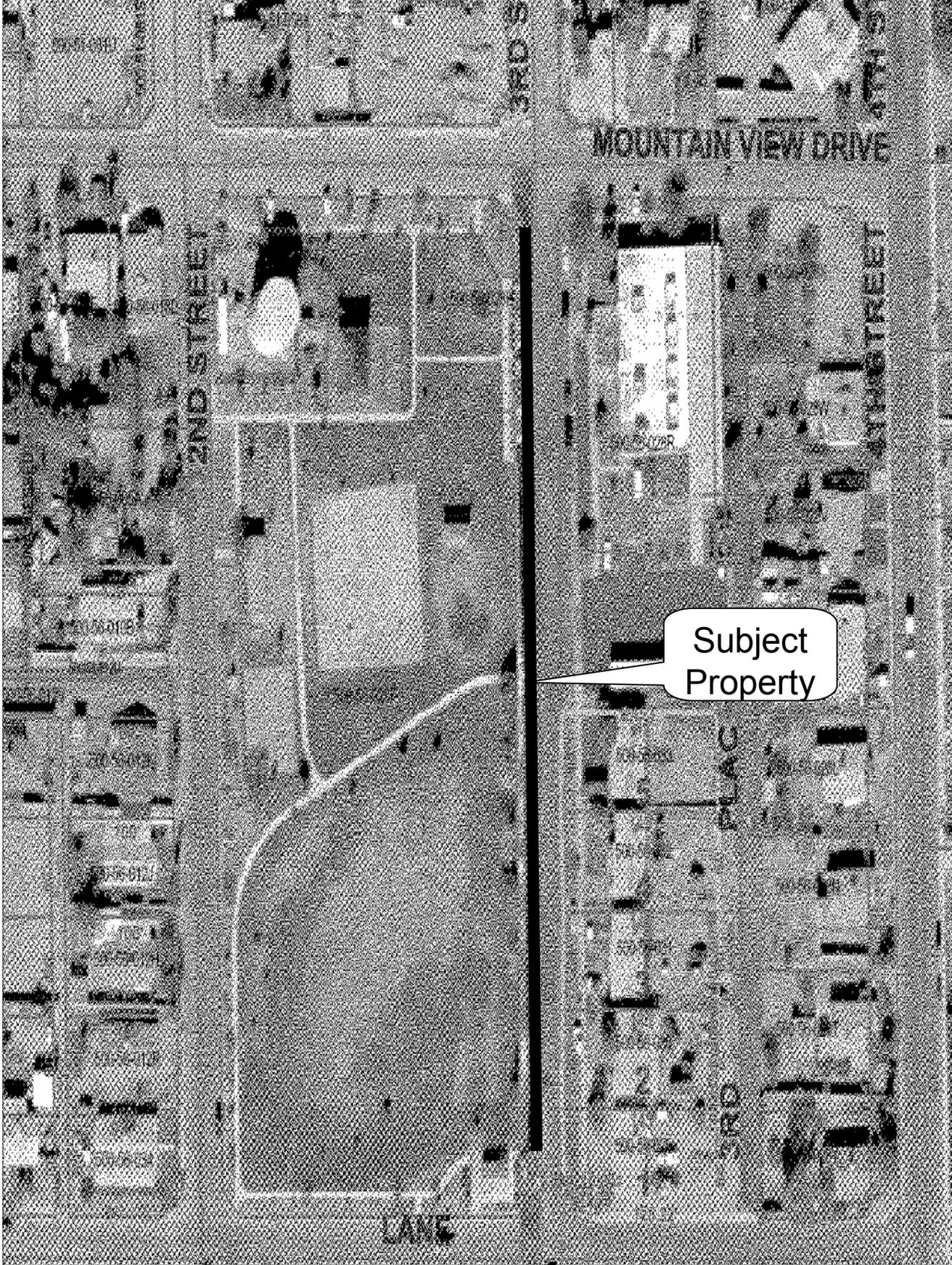
Staff recommends that the City Council adopt an ordinance authorizing the City of Avondale to participate in the Maricopa County Tax Deeded Land Auction.

ATTACHMENTS:

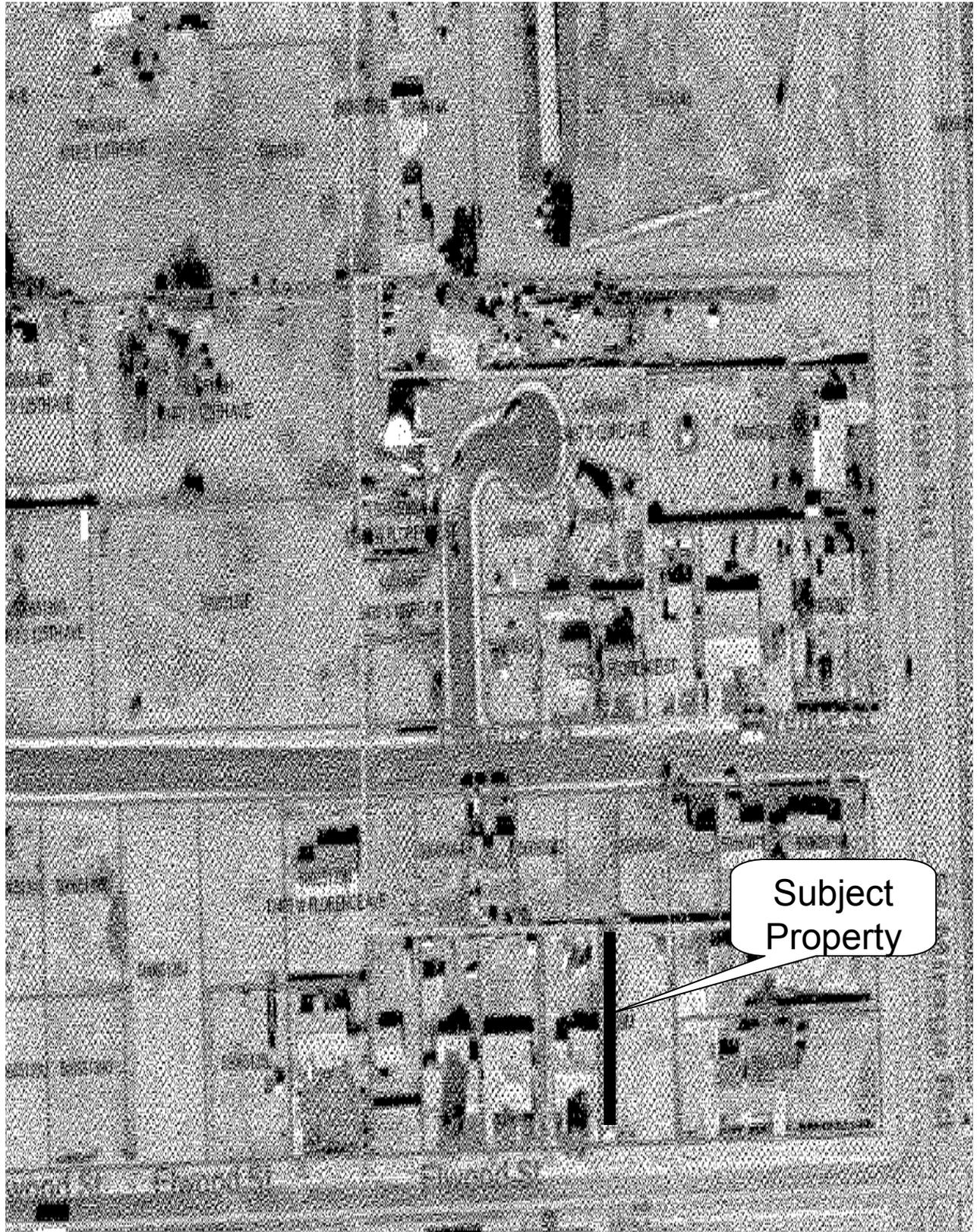
Click to download

- [Parcel Maps](#)
- [Parcel Maps](#)
- [ORD - 1222-1206](#)

County Land Auction Parcel



County Land Auction Parcel



ORDINANCE NO. 1222-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AUTHORIZING THE ACQUISITION OF REAL PROPERTY FOR PUBLIC USE.

WHEREAS, pursuant to Article I, Section 3 of the Avondale City Charter (the “Charter”) the City of Avondale (the “City”) authorizes the City to acquire real property in fee simple or any lesser interest, inside or outside its corporate limits for any City purpose, when the public convenience requires it and in accordance with the provisions of State law; and

WHEREAS, the Council of the City of Avondale desires to authorize the acquisition of certain property through participation in a land auction sponsored by Maricopa County.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the acquisition of certain real property, encompassing Maricopa County Assessor’s Parcel No. 500-65-016F, is hereby authorized.

SECTION 2. That the acquisition of certain real property, encompassing Maricopa County Assessor’s Parcel No. 500-65-069M, is hereby authorized.

SECTION 3. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to (i) participate in a land auction sponsored by Maricopa County to acquire the above-described real property and (ii) take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

SECTION 4. That, if any provision of this Ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision of portion hereof shall be deemed separate, distinct, and independent of all other provisions and such holding shall not affect the validity of the remaining portions of this Ordinance.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

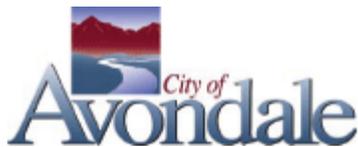
Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY COUNCIL REPORT

SUBJECT:
ORDINANCE 1221-1206 GRANTING - UTILITY
EASEMENT TO ARIZONA PUBLIC SERVICE -
NORTHSIDE ARSENIC TREATMENT FACILITY

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Steve Ruppenthal
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council adopt an ordinance granting Arizona Public Service (APS) a utility easement over a portion of the City's Northside Arsenic Treatment Facility and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

The Northside Arsenic Treatment Facility is currently being constructed on the southwest corner of Indian School Road and El Mirage Road (See attached vicinity map). The construction of this project is mandated as a result of the Environmental Protection Agency (EPA) lowering the Maximum Contaminate Level (MCL) for arsenic concentrations within drinking water supplies from 50 parts per billion (ppb) to 10 ppb.

The City Council authorized Wilson & Company to develop design and construction documents for the arsenic treatment system, on December 6, 2004. This authorization included a provision for Wilson to assist the City in selecting a Construction Manager at Risk (CM@R) to expedite the design and construction process. Council awarded a CM@R contract to PCL Civil Constructors on April 18, 2005 to assist with design and to construct the facility.

Arizona Public Service (APS) was granted an "L" shaped easement to provide electric service to the arsenic treatment facilities by Council on June 19, 2006.

DISCUSSION:

During a recent construction inspection by APS representatives, it was noted that the existing transformer serving Well 6 and the original booster facilities would be inaccessible to APS staff upon completion of the security wall that was being constructed in conjunction with the arsenic treatment facility. After examining a number of options to provide direct access to the transformer by APS, it was determined that relocating the transformer closer to another location would be the most cost effective solution and would satisfy APS's access requirements.

Granting this easement will allow APS to install the necessary infrastructure and relocate the transformer to a new location within the site. APS will not energize the facility until the transformer discussed above is relocated.

BUDGETARY IMPACT:

There is no budgetary impact associated with conveyance of the easement to APS. However, APS will charge \$8,018.23 to complete the relocation services. These charges fall within staff's signing authority.

RECOMENDATION:

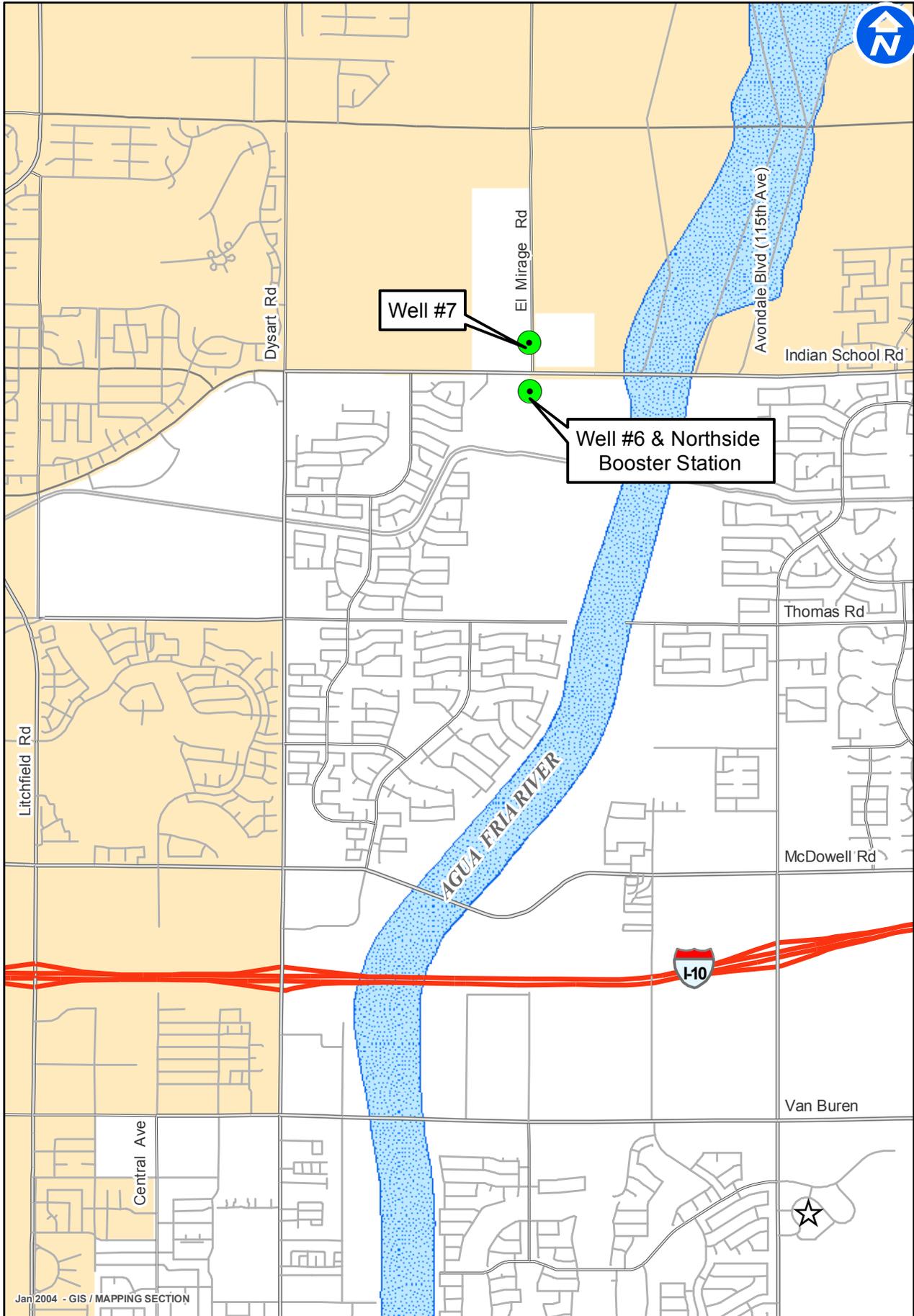
Staff recommends that the City Council adopt an ordinance granting Arizona Public Service (APS) a utility easement over a portion of the City's Northside Arsenic Treatment Facility and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

-  [Vicinity Map](#)
-  [ORD - 1221-1206](#)

VICINITY MAP



CITY OF AVONDALE
Well 6 Transformer Relocate

ORDINANCE NO. 1221-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, GRANTING A UTILITY EASEMENT TO ARIZONA PUBLIC SERVICE COMPANY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That a utility easement is hereby granted to Arizona Public Service Company through, over, under and across \pm 0.0627 acres of real property, generally located southwest of the intersection of West Indian School Road and El Mirage Road, in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
ORDINANCE NO. 1221-1206

[APS Utility Easement]

See following pages.

UTILITY EASEMENT

NE26 2N 1W
W267103
Survey 468-38
JNJ

CITY OF AVONDALE, a municipal corporation, (hereinafter called "Grantor"), is the owner of the following described real property located in Maricopa County, Arizona (hereinafter called "Grantor's Property"):

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Grantor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to **ARIZONA PUBLIC SERVICE COMPANY**, an Arizona corporation, (hereinafter called "Grantee"), and to its successors and assigns, a non-exclusive right, privilege, and easement at locations and elevations, in, upon, over, under, through and across, a portion of Grantor's Property described as follows (herein called the "Easement Premises"):

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

Grantee is hereby granted the right to: construct, reconstruct, replace, repair, operate and maintain electrical lines, together with appurtenant facilities and fixtures for use in connection therewith, for the transmission and distribution of electricity to, through, across, and beyond Grantor's Property; install, operate and maintain telecommunication wires, cables, conduits, fixtures and facilities incidental to supplying electricity or for Grantee's own use (said electrical and telecommunication lines, facilities and fixtures collectively herein called "Grantee Facilities"); utilize the Easement Premises for all other purposes connected therewith; and permit the installation of the wires, fixtures, conduits, or cables of any other company.

Grantee is hereby granted the right, but not the obligation, to trim, prune, cut, and clear away trees, brush, shrubs, or other vegetation on, or adjacent to, the Easement Premises whenever in Grantee's judgment the same shall be necessary for the convenient and safe exercise of the rights herein granted.

Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Premises for the purposes herein specified.

Grantor shall not locate, erect or construct, or permit to be located, erected or constructed, any building or other structure or drill any well within the limits of the Easement Premises; nor shall Grantor plant or permit to be planted any trees within the limits of the Easement Premises without the prior written consent of Grantee. However, Grantor reserves the right to use the Easement Premises for purposes that are not inconsistent with Grantee's easement rights herein conveyed and which do not interfere with or endanger any of the Grantee Facilities, including, without limitation, granting others the right to use all or portions of the Easement Premises for utility or roadway purposes and constructing improvements within the Easement Premises such as paving, sidewalks, landscaping, and curbing. Notwithstanding the foregoing, Grantor shall not have the right to lower by more than one foot or raise by more than two feet the surface grade of the Easement Premises, and in no event shall a change in the grade compromise Grantee's minimum cover requirements or interfere with Grantee's operation, maintenance or repair.

Grantor shall maintain a clear area that extends 2 feet from and around all edges of all transformer pads and 3 feet from and around all other equipment pads, and a clear operational area that extends 10 feet immediately in front of all transformer and other equipment openings. No obstructions, trees, shrubs, fixtures, or permanent structures shall be placed by Grantor within said areas.

Grantee agrees that following any installation, excavation, maintenance, repair, or other work by Grantee within the Easement Premises, the affected area will be restored by Grantee to as close to original condition as is reasonably possible, at the expense of Grantee.

The easement granted herein shall not be deemed abandoned except upon Grantee's execution and recording of a formal instrument abandoning the easement.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of, and shall be binding on the heirs, administrators, executors, successors in ownership and estate, assigns and lessees of Grantor and Grantee.

EXHIBIT "A"
(LEGAL DESCRIPTION OF PROPERTY)

That portion of land lying in the Northeast quarter of Section 26, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona described as follows:

COMMENCING at the Northeast Corner of said Section 26;

Thence South 00°18'25" West, along the East Line of Said Section 26, a distance of 600.00 feet;

Thence North 89°19'50" West, along the South line of the North 600.00 feet of the Northeast quarter of the Northeast quarter, a distance of 33.00 feet to the POINT OF BEGINNING;

Thence, continuing North 89°19'50" West along said South line, a distance of 340.01 feet;

Thence North 00°18'25" East, along the West line of the East 373.00 feet of said Northeast quarter of the Northeast quarter, a distance of 245.00 feet to a point on the South line of the North 355 feet of said Northeast of the Northeast quarter;

Thence South 89°19'50" East, along said South line of the North 355 feet of said Northeast quarter of the Northeast quarter, a distance of 200.00 feet to a point on the West line of the East 173 feet of said Northeast quarter of the Northeast quarter;

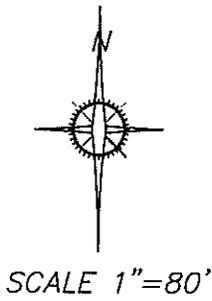
Thence South 00°18'25" West, along said West line of the East 173 feet of the Northeast quarter of the Northeast quarter a distance of 220.00 feet;

Thence South 89°19'50" East, along the South line of the North 575 feet of said Northeast quarter of the Northeast quarter a distance of 140.00 feet to a point 33.00 feet West of the East line of Section 26;

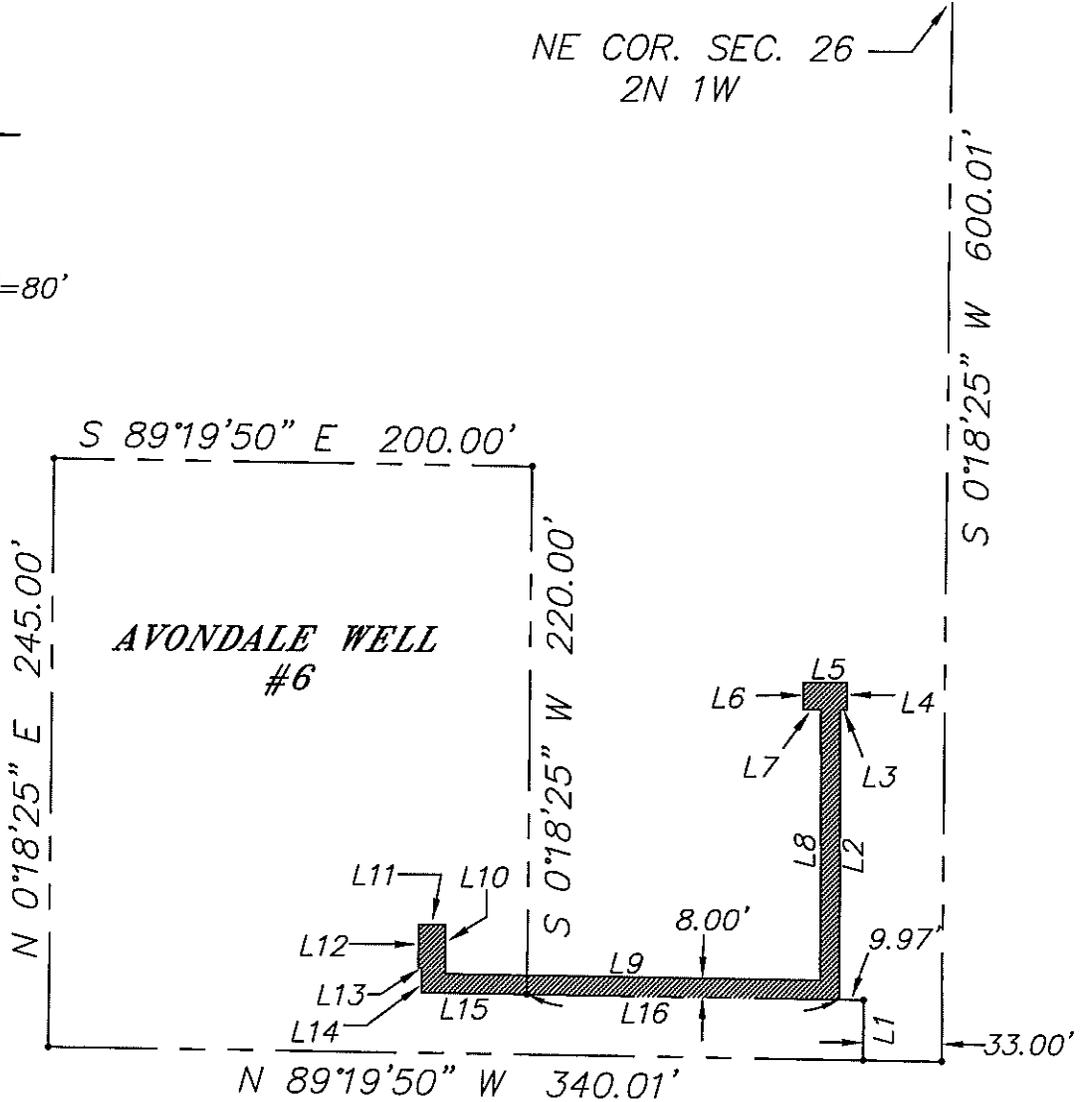
Thence South 00°18'25" West, a distance of 25.00 feet to the POINT OF BEGINNING

EXHIBIT "B"

SKETCH SHOWING LOCATION AND LIMITS OF
UTILITY EASEMENT



NE COR. SEC. 26
2N 1W



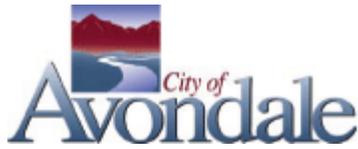
NUM	BEARING	DISTANCE	NUM	BEARING	DISTANCE
L1	N0°18'25"E	25.00'	L9	N89°19'50"W	156.38'
L2	N0°08'47"W	120.94'	L10	N0°01'12"W	20.58'
L3	N90°00'00"E	2.90'	L11	S89°58'48"W	11.34'
L4	N0°00'00"E	11.33'	L12	S0°01'12"E	18.25'
L5	N90°00'00"W	18.25'	L13	N89°58'48"E	1.34'
L6	S0°00'00"W	11.33'	L14	S0°00'00"W	10.21'
L7	N90°00'00"E	7.35'	L15	S89°19'50"E	44.38'
L8	S0°08'47"E	112.84'	L16	S89°19'50"E	140.00'

THE PURPOSE OF THIS EXHIBIT IS TO DEPICT THE DIMENSIONS AND APPROXIMATE LOCATION AND ALIGNMENT OF THE ELECTRIC LINE AND TRANSFORMER. THE LOCATION AND ALIGNMENT OF THE ELECTRIC LINE AND TRANSFORMER AS ACTUALLY CONSTRUCTED SHALL TAKE PRECEDENCE OVER THE LOCATION AND ALIGNMENT SHOWN ON THIS EXHIBIT.

LEGEND

- EASEMENT AREA
- ROAD CENTERLINE
- PROPERTY LINE
- PROPERTY CORNER

JOB# W267103	DATE: 11/01/06
NE 1/4 SEC 35	T 2N R 1W
SCALE: 1"= 80'	MAP 468/38
R/W: JAYSON JOHNSON	
SURVEY: JOHNSON-JORDEN	
DRAWN BY: JOHNSON	



CITY COUNCIL REPORT

SUBJECT:

Ordinance 1220-1206 granting an Irrigation Easement, and Accepting a Right-of-Way License from Salt River Project Agriculture Improvement & Power District

MEETING DATE:

December 4, 2006

TO: Mayor and Council
FROM: Steve Ruppenthal
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council adopt an ordinance granting an irrigation easement, accept a Right-of-Way License from Salt River Project Agriculture Improvement & Power District (SRP) and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

On January 17, 2006 City Council approved the Final Plat for the Del Rio Ranch Phases 1 and 2 Residential Subdivision, which is bounded by Durango to the north, Avondale Blvd. to the east, Lower Buckeye Parkway to the south and El Mirage to the West (refer to attached vicinity map). The development will include one municipal well, a SRP paired well and one booster facility and reservoir.

The subdivision will be developed by Taylor Woodrow Homes.

Prior to this development, the area in question was part of an active farming operation. Consequently, there are two existing irrigation easements dedicated to SRP which need to be relocated in association with the residential development.

DISCUSSION:

Adoption of the ordinance will allow the relocation of existing irrigation facilities and a land swap with the Bureau of Reclamation.

1. Irrigation Easements: Irrigation facilities within Del Rio Ranch will remain in service upon completion of the subdivision. The easement will allow SRP to maintain these facilities on Lower Buckeye, Whyman, 117th Avenue and Avondale Blvd.
2. Right of Way License: the license will convey nonexclusive rights to the City to enter, construct and maintain roadways, landscaping and water/sewer situated on SRP property.

Taylor Woodrow Homes has provided documentation to SRP taking responsibility for any cost incurred by SRP during the relocation of the irrigation facilities.

BUDGETARY IMPACT:

There is no budgetary impact associated with conveyance of the easement and real property to SRP and the Bureau of Reclamation.

RECOMENDATION:

Staff recommends that the City Council adopt an ordinance granting an irrigation easement and conveying of

real property to the Bureau of Reclamation, accept a Right-of-Way License from Salt River Project Agriculture Improvement & Power District (SRP) and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

 [ORD - 1220-1206](#)

ORDINANCE NO. 1220-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, GRANTING IRRIGATION EASEMENTS TO SALT RIVER PROJECT AND AUTHORIZING THE ACCEPTANCE OF A RIGHT-OF-WAY LICENSE FROM SALT RIVER PROJECT.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That an irrigation easement is hereby granted to Salt River Project Agricultural Improvement and Power District (“SRP”) through, over, under and across \pm 1.739 acres of real property, generally located north of Lower Buckeye Road, in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. That an irrigation easement is hereby granted to SRP through, over, under and across \pm 0.659 acres of real property, generally located north of Lower Buckeye Road, along Whyman Avenue, in the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 3. That the acceptance of a right-of-way license from SRP through, over, under and across \pm 0.018 acres of real property, generally located south of Durango Street, along El Mirage Road, is hereby authorized in the form attached hereto as Exhibit C and incorporated herein by reference.

SECTION 4. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney

EXHIBIT A
TO
ORDINANCE NO. 1220-1206

[Salt River Project Irrigation Easement]

See following pages.

IRRIGATION EASEMENT

Maricopa County
Parcel #

R/W # 3 Agt. PJH
Job # RD-12345
W. PJH C. QAR

KNOW ALL MEN BY THESE PRESENTS:

That

CITY OF AVONDALE, ("Grantor"),
an Arizona municipal corporation

FOR AND IN CONSIDERATION OF THE SUM of One Dollar, and other valuable consideration, receipt of which is hereby acknowledged, do hereby grant to the **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**, ("Grantee"), an agricultural improvement district organized and existing under the laws of the State of Arizona, its successors and assigns, the right, easement and privilege to construct, reconstruct, operate and maintain an irrigation pipeline and irrigation turnout structure together with all the necessary and appurtenant facilities through, over, under and across the following described property:

Exhibit "A" attached hereto and made by reference a part hereof.

Grantor shall not convey any easements or grant any permits within the easement areas in which the facilities do not comply with the specifications shown in Exhibit B attached hereto and by this reference made a part hereof.

Grantor shall not erect, construct or permit to be erected or constructed any building or other structure, plant any trees, drill any well, install swimming pools, or alter ground level by cut or fill, within the limits of said rights of way, which do not comply with said Exhibit B.

Grantee shall have the right, but not the obligation, to erect, maintain and use gates in all fences which now cross said rights of way and to trim, cut and clear away trees or brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted.

The Grantee shall at all times have the right of full and free ingress and egress to said easement for the purpose heretofore specified.

Grantor and Grantee acknowledge that from time to time Grantee may find it necessary to construct, reconstruct, operate and maintain irrigation facilities and appurtenant conveniences lying within the easement areas.

Grantor shall pay Grantee all costs and expenses of any relocation of the irrigation facilities requested by Grantor, including but not limited to, the relocation of the facilities into the easement area described above.

In the event the right, privilege and easement herein granted shall be abandoned and permanently cease to be used for the purpose herein granted, all rights herein granted shall cease and revert to the Grantors, their heirs or assigns.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of and shall be binding on the heirs, successors in ownership and estate, assigns and lessees of the respective parties hereto.

Notwithstanding any of the aforesaid provisions, the easement rights granted herein shall be further subject to the following covenants, restrictions and conditions:

1. Grantor reserves the right to construct, install, operate, maintain, repair, replace and reinstall surface parking areas, driveways, roadways, sidewalks, curbs and gutters, landscaping, irrigation lines and street lighting on the surface of the easement areas.
2. Grantor reserves the right to construct and install public utilities, and to grant easements and permits for public utility purposes, in, upon, under, over and across the easement areas subject to compliance with the specifications shown in Exhibit B attached hereto and by this reference made a part hereof.
3. In the event that any repair, maintenance, replacement or installation of the irrigation facilities and appurtenant conveniences will cause a disturbance or a disruption of any public street or paved roadway, Grantee shall notify Grantor, pursuant to existing practices, before Grantee undertakes any such action. In the event of an emergency, Grantee shall have use of any public street or paved roadway as it reasonably deems necessary and appropriate to correct, repair, replace or reconstruct irrigation facilities affected by the emergency and notify Grantor, pursuant to existing practices, as soon as practical after responding to the emergency. Grantee shall provide for advance warning signs, barricades, flagmen, flares, and other devices when necessary to protect the roadway user as set forth in the "Manual on Uniform Traffic Control Devices" and any amendments and/or revisions thereto.
4. Grantor shall warrant and defend the rights, easements and privileges hereby granted and the priority of this easement against all persons whomsoever.

September 11, 2006

EXHIBIT "A"

**LEGAL DESCRIPTION FOR
DEL RIO RANCH
SALT RIVER PROJECT IRRIGATION EASEMENT
CITY OF AVONDALE RIGHT OF WAY**

That part of the Southeast Quarter of Section 13, Township 1 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Brass Cap in handhole marking the South Quarter Corner of said Section 13, from which the Brass Cap in handhole marking the Southeast Corner of said Section 13 bears South 89°52'49" East, a distance of 2,653.36 feet;

Thence South 89°52'49" East, along the South line of the Southeast Quarter of said Section 13, a distance of 2.74 feet to the True Point of Beginning;

Thence North 12°23'18" East, departing said South line, a distance of 83.17 feet to a point on a line parallel with and 20.00 feet Easterly, as measured at right angles, from the monument line of 119th Avenue, as depicted on the Map of Dedication for Del Rio Ranch, recorded in Book 827 of Maps, Page 19, Maricopa County Records;

Thence along said parallel line the following courses:

Thence North 00°24'47" East, a distance of 899.47 feet to the beginning of a tangent curve of 1,058.21 foot radius, concave Westerly;

Thence Northerly, along said curve, through a central angle of 09°21'54", a distance of 172.96 feet;

Thence North 04°51'49" East, departing said parallel line, a distance of 39.35 feet;

Thence North 86°02'50" East, a distance of 49.72 feet to a point on a 680.00 foot radius non-tangent curve, whose center bears South 11°42'52" East, said point being on a line parallel with and 20.00 Southerly, as measured at right angles, from the monument line of Whyman Avenue, as depicted on said Map of Dedication for Del Rio Ranch;

Thence along said parallel line the following courses:

Thence Northeasterly, along said curve, through a central angle of 11°55'07", a distance of 141.45 feet;

Thence South 89°47'45" East, a distance of 405.80 feet to a point on a line parallel with and 40.00 feet Westerly, as measured at right angles, from the monument line of 117th Avenue, as depicted on said Map of Dedication for Del Rio Ranch;



Legal Description for
Del Rio Ranch
Salt River Project Irrigation Easement
City of Avondale Right of Way
September 11, 2006

Thence along said line parallel with the monument line of 117th Avenue the following courses:

Thence North $00^{\circ}12'15''$ East, departing said line parallel with the monument line of Whyman Avenue, a distance of 585.32 feet to the beginning of a tangent curve of 390.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $69^{\circ}34'31''$, a distance of 473.58 feet;

Thence North $69^{\circ}46'46''$ East, a distance of 473.99 feet to the beginning of a tangent curve of 210.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $70^{\circ}19'35''$, a distance of 257.76 feet;

Thence North $00^{\circ}32'49''$ West, a distance of 190.00 feet to a point on the North line of the Southeast Quarter of said Section 13;

Thence North $89^{\circ}27'11''$ East, departing said parallel line, a distance of 20.00 feet to a point on a line parallel with and 20.00 feet Westerly, as measured at right angles, from the monument line of said 117th Avenue;

Thence along said parallel line the following courses:

Thence South $00^{\circ}32'49''$ East, a distance of 190.00 feet to the beginning of a tangent curve of 230.00 foot radius, concave Northwesterly;

Thence Southwesterly, along said curve, through a central angle of $70^{\circ}19'35''$, a distance of 282.31 feet;

Thence South $69^{\circ}46'46''$ West, a distance of 473.99 feet to the beginning of a tangent curve of 370.00 foot radius, concave Southeasterly;

Thence Southwesterly, along said curve, through a central angle of $69^{\circ}34'31''$, a distance of 449.30 feet;

Thence South $00^{\circ}12'15''$ West, a distance of 605.32 feet to a point on the Southerly right-of-way line of said Whyman Avenue;

Thence along said Southerly right-of-way line of Whyman Avenue the following courses:



Legal Description for
Del Rio Ranch
Salt River Project Irrigation Easement
City of Avondale Right of Way
September 11, 2006

Thence North 89°47'45" West, departing said parallel line, a distance of 425.80 feet to the beginning of a tangent curve of 660.00 foot radius, concave Southeasterly;

Thence Southwesterly, along said curve, through a central angle of 11°55'07", a distance of 137.29 feet;

Thence South 78°17'08" West, a distance of 20.01 feet;

Thence South 34°36'52" West, a distance of 28.93 feet to a point on a 1,078.21 foot radius non-tangent curve, whose center bears South 81°28'28" West, said point being on a line parallel with and 40.00 feet Easterly, as measured at right angles, from the monument line of said 119th Avenue;

Thence along said parallel line the following courses:

Thence Southerly, departing said Southerly right-of-way line along said curve, through a central angle of 08°56'19", a distance of 168.21 feet;

Thence South 00°24'47" West, a distance of 901.57 feet;

Thence South 12°23'18" West, departing said parallel line, a distance of 80.92 feet to a point on the South line of the Southeast Quarter of said Section 13;

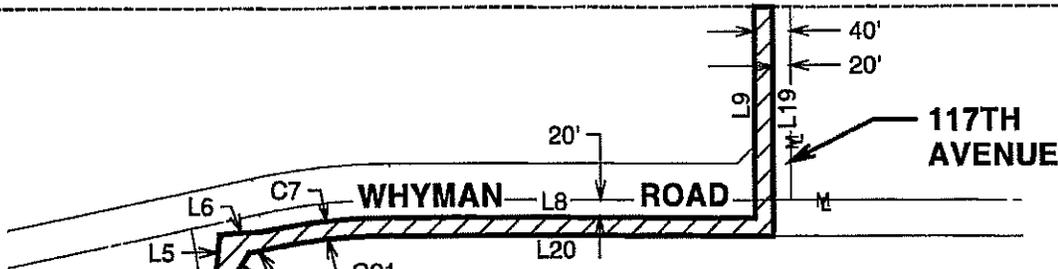
Thence North 89°52'49" West, along said South line, a distance of 20.47 feet to the True Point of Beginning.

Containing 1.739 Acres, more or less.



MATCH SHEET 2

MATCH SHEET 2



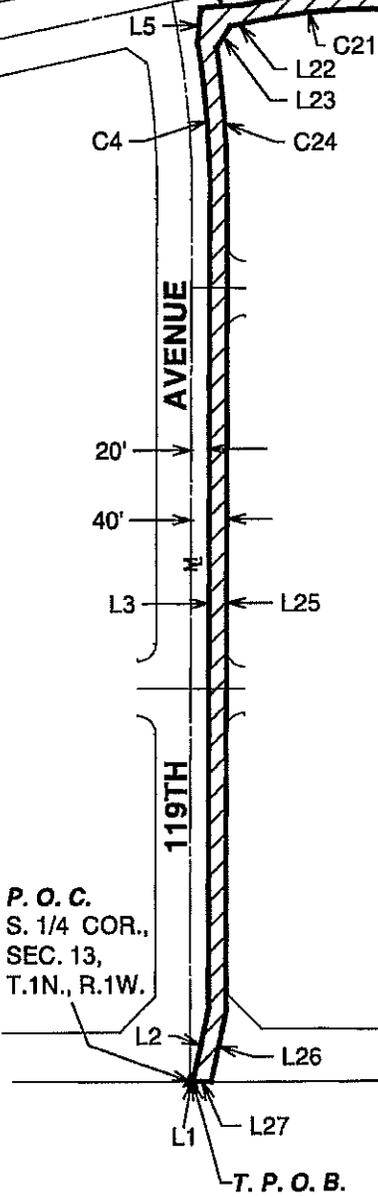
MAP OF DEDICATION
DEL RIO RANCH
BK. 827, PG. 19

LINE TABLE

LINE	BEARING	DISTANCE
L1	S89°52'49"E	2.74'
L2	N12°23'18"E	83.17'
L3	N00°24'47"E	899.47'
L5	N04°51'49"E	39.35'
L6	N86°02'50"E	49.72'
L8	S89°47'45"E	405.80'
L9	N00°12'15"E	585.32'
L11	N69°46'46"E	473.99'
L13	N00°32'49"W	190.00'
L14	N89°27'11"E	20.00'
L15	S00°32'49"E	190.00'
L17	S69°46'46"W	473.99'
L19	S00°12'15"W	605.32'
L20	N89°47'45"W	425.80'
L22	S78°17'08"W	20.01'
L23	S34°36'52"W	28.93'
L25	S00°24'47"W	901.57'
L26	S12°23'18"W	80.92'
L27	N89°52'49"W	20.47'



SCALE: 1" = 200'



P. O. C.
S. 1/4 COR.,
SEC. 13,
T.1N., R.1W.

LOWER BUCKEYE ROAD

S89°52'49"E 2,653.36'

SE. COR.,
SEC. 13,
T.1N., R.1W.

EXHIBIT

N:\030113\LAND\IHSRPRW1.DGN

4550 NORTH 12TH STREET
PHOENIX, ARIZONA 85014
TELEPHONE (602) 264-6831

DEL RIO RANCH
SALT RIVER PROJECT IRRIGATION EASEMENT
CITY OF AVONDALE RIGHT OF WAY

COE & VAN LOO
PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

JOB NO

030113

SHEET

Page 4 of 5

CEN. SEC. 13

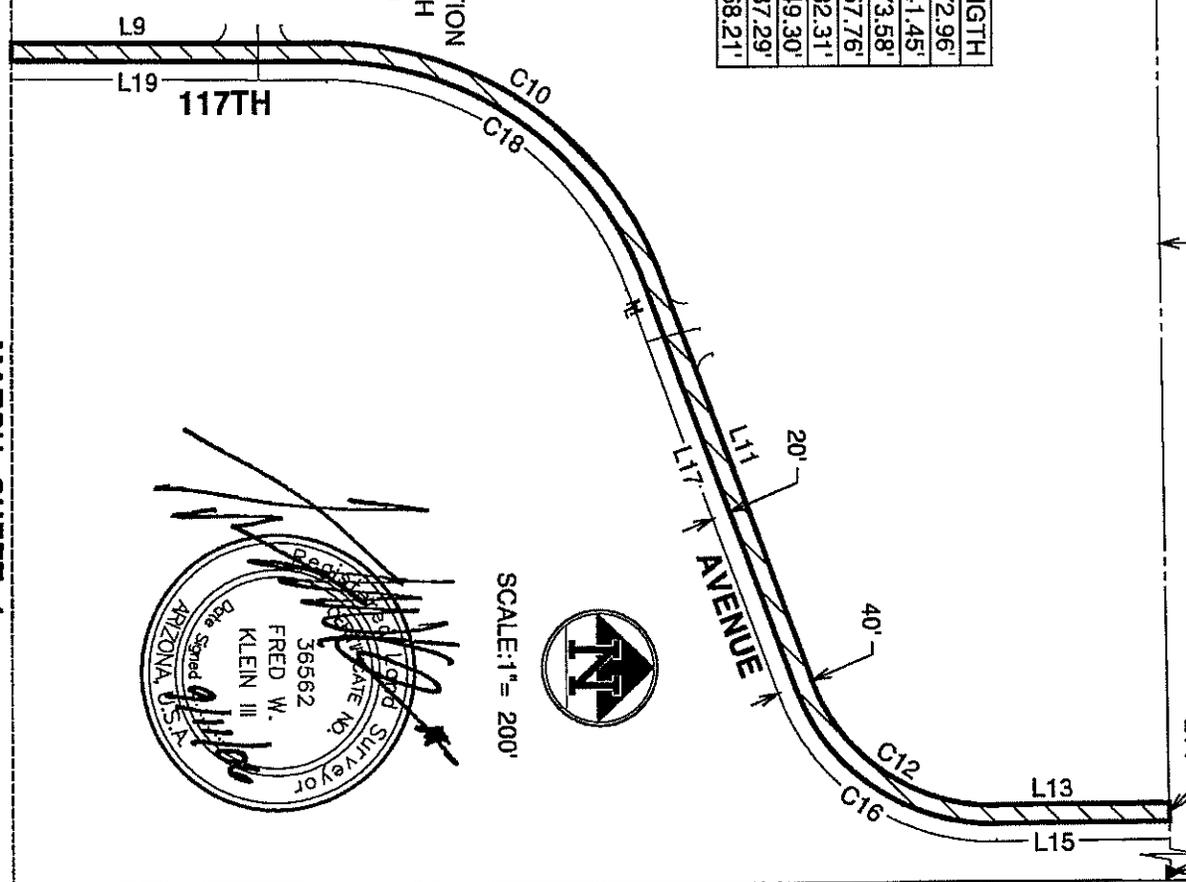
N LINE, SE 1/4, SEC. 13

E: 1/4 COR.,
SEC. 13,
T.1N., R.1W.

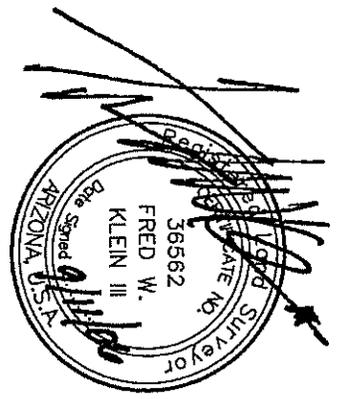
CURVE TABLE

CURVE	RADIUS	DELTA	ARC LENGTH
C4	1058.21'	09°21'54"	172.96'
C7	680.00'	11°55'07"	141.45'
C10	390.00'	69°34'31"	473.58'
C12	210.00'	70°19'35"	257.76'
C16	230.00'	70°19'35"	282.31'
C18	370.00'	69°34'31"	449.30'
C21	660.00'	11°55'07"	137.29'
C24	1078.21'	08°56'19"	168.21'

MAP OF DEDICATION
DEL RIO RANCH
BK. 827, PG. 19



SCALE: 1" = 200'



MATCH SHEET 1

MATCH SHEET 1

<p>EXHIBIT</p> <p>N:\030113\LAND\EHRSRPRW2.DGN</p> <p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>DEL RIO RANCH SALT RIVER PROJECT IRRIGATION EASEMENT CITY OF AVONDALE RIGHT OF WAY</p> <p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>JOB NO</p> <p>030113</p>
		<p>SHEET</p> <p>Page 5 of 5</p>

EXHIBIT B
TO
ORDINANCE NO. 1220-1206

[Salt River Project Irrigation Easement]

See following pages.

IRRIGATION EASEMENT

Maricopa County
Parcel #

R/W # 3 Agt. PJH
Job # RD-12345
W PJH C ORR

KNOW ALL MEN BY THESE PRESENTS:

That

CITY OF AVONDALE, ("Grantor"),
an Arizona municipal corporation

FOR AND IN CONSIDERATION OF THE SUM of One Dollar, and other valuable consideration, receipt of which is hereby acknowledged, do hereby grant to the **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**, ("Grantee"), an agricultural improvement district organized and existing under the laws of the State of Arizona, its successors and assigns, the right, easement and privilege to construct, reconstruct, operate and maintain an irrigation pipeline and irrigation turnout structure together with all the necessary and appurtenant facilities through, over, under and across the following described property:

Exhibit "A" attached hereto and made by reference a part hereof.

Grantor shall not convey any easements or grant any permits within the easement areas in which the facilities do not comply with the specifications shown in Exhibit B attached hereto and by this reference made a part hereof.

Grantor shall not erect, construct or permit to be erected or constructed any building or other structure, plant any trees, drill any well, install swimming pools, or alter ground level by cut or fill, within the limits of said rights of way, which do not comply with said Exhibit B.

Grantee shall have the right, but not the obligation, to erect, maintain and use gates in all fences which now cross said rights of way and to trim, cut and clear away trees or brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted.

The Grantee shall at all times have the right of full and free ingress and egress to said easement for the purpose heretofore specified.

Grantor and Grantee acknowledge that from time to time Grantee may find it necessary to construct, reconstruct, operate and maintain irrigation facilities and appurtenant conveniences lying within the easement areas.

Grantor shall pay Grantee all costs and expenses of any relocation of the irrigation facilities requested by Grantor, including but not limited to, the relocation of the facilities into the easement area described above.

In the event the right, privilege and easement herein granted shall be abandoned and permanently cease to be used for the purpose herein granted, all rights herein granted shall cease and revert to the Grantors, their heirs or assigns.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of and shall be binding on the heirs, successors in ownership and estate, assigns and lessees of the respective parties hereto.

Notwithstanding any of the aforesaid provisions, the easement rights granted herein shall be further subject to the following covenants, restrictions and conditions:

1. Grantor reserves the right to construct, install, operate, maintain, repair, replace and reinstall surface parking areas, driveways, roadways, sidewalks, curbs and gutters, landscaping, irrigation lines and street lighting on the surface of the easement areas.
2. Grantor reserves the right to construct and install public utilities, and to grant easements and permits for public utility purposes, in, upon, under, over and across the easement areas subject to compliance with the specifications shown in Exhibit B attached hereto and by this reference made a part hereof.
3. In the event that any repair, maintenance, replacement or installation of the irrigation facilities and appurtenant conveniences will cause a disturbance or a disruption of any public street or paved roadway, Grantee shall notify Grantor, pursuant to existing practices, before Grantee undertakes any such action. In the event of an emergency, Grantee shall have use of any public street or paved roadway as it reasonably deems necessary and appropriate to correct, repair, replace or reconstruct irrigation facilities affected by the emergency and notify Grantor, pursuant to existing practices, as soon as practical after responding to the emergency. Grantee shall provide for advance warning signs, barricades, flagmen, flares, and other devices when necessary to protect the roadway user as set forth in the "Manual on Uniform Traffic Control Devices" and any amendments and/or revisions thereto.
4. Grantor shall warrant and defend the rights, easements and privileges hereby granted and the priority of this easement against all persons whomsoever.

EXHIBIT "A"

October 26, 2006

LEGAL DESCRIPTION FOR
DEL RIO RANCH
SALT RIVER PROJECT IRRIGATION EASEMENT
WHYMAN AVENUE STUB

That part of the Southeast Quarter of Section 13, Township 1 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the intersection of the monument lines of Whyman Avenue and 117th Avenue as depicted on the Final Plat of Del Rio Ranch Unit 2, recorded in Book 827 of Maps, Page 21, Maricopa County Records;

Thence North 89°47'45" West, along the monument line of said Whyman Avenue, a distance of 401.94 feet to the True Point of Beginning;

Thence South 00°12'15" West, departing said monument line, a distance of 20.00 feet to a point on a line which is parallel with and 20.00 feet Southerly, as measured at right angles, from the monument line of said Whyman Avenue;

Thence North 89°47'45" West, along said parallel line, a distance of 20.00 feet;

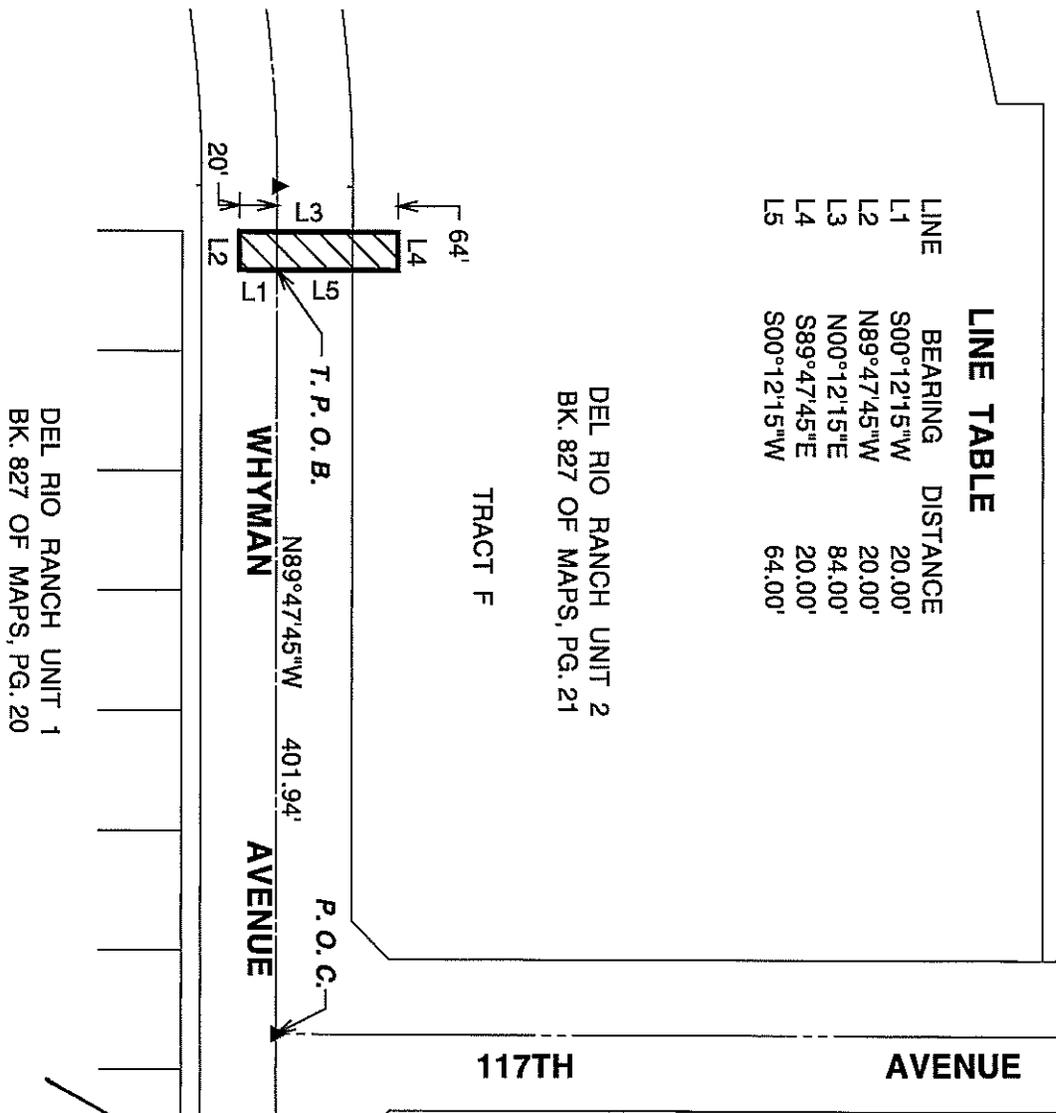
Thence North 00°12'15" East, departing said parallel line, a distance of 84.00 feet to a point on a line which is parallel with and 64.00 feet Northerly, as measured at right angles, from the monument line of said Whyman Avenue;

Thence South 89°47'45" East, along said parallel line, a distance of 20.00 feet;

Thence South 00°12'15" West, departing said parallel line, a distance of 64.00 feet to the True Point of Beginning.

Containing 0.039 Acres, more or less.





LINE TABLE

LINE	BEARING	DISTANCE
L1	S00°12'15"W	20.00'
L2	N89°47'45"W	20.00'
L3	N00°12'15"E	84.00'
L4	S89°47'45"E	20.00'
L5	S00°12'15"W	64.00'

DEL RIO RANCH UNIT 2
BK. 827 OF MAPS, PG. 21

TRACT F

T.P.O.B.

WHYMAN

N89°47'45"W 401.94'

AVENUE

P.O.C.

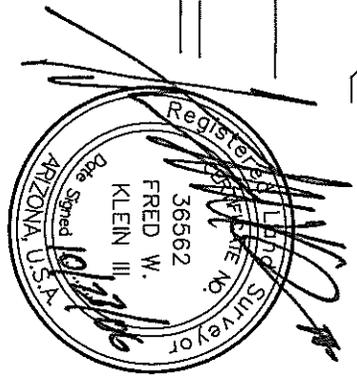
117TH

AVENUE

DEL RIO RANCH UNIT 1
BK. 827 OF MAPS, PG. 20



SCALE: 1" = 100'



<p>EXHIBIT "A"</p> <p>N:\030113\LAND\EHSP\IRR\WHYMAN.DGN</p> <p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>DEL RIO RANCH S.R.P. IRRIGATION ESM'T - WHYMAN AVE.</p>	<p>JOB NO 030113</p>
<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>		<p>SHEET Page 2 of 7</p>

October 26, 2006

EXHIBIT "A"

LEGAL DESCRIPTION FOR DEL RIO RANCH SALT RIVER PROJECT IRRIGATION EASEMENT AVONDALE BOULEVARD - CITY OF AVONDALE

That part of the Southeast Quarter of Section 13, Township 1 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Brass Cap in handhole marking the Southeast Corner of said Section 13, from which the Brass Cap in handhole marking the South Quarter Corner of said Section 13 bears North 89°52'49" West, a distance of 2,653.36 feet;

Thence North 89°52'49" West, along the South line of the Southeast Quarter of said Section 13, a distance of 45.00 feet to the True Point of Beginning;

Thence continuing North 89°52'49" West, along said South line, a distance of 20.00 feet to a point on a line which is parallel with and 65.00 feet Westerly, as measured at right angles, from the East line of the Southeast Quarter of said Section 13;

Thence North 00°15'58" East, along said parallel line, a distance of 281.19 feet;

Thence North 02°46'39" East, departing said parallel line, a distance of 114.11 feet to a point on a line which is parallel with and 60.00 feet Westerly, as measured at right angles, from the East line of the Southeast Quarter of said Section 13;

Thence North 00°15'58" East, along said parallel line, a distance of 922.48 feet;

Thence South 89°44'02" East, departing said parallel line, a distance of 20.00 feet to a point on a line which is parallel with and 40.00 feet Westerly, as measured at right angles, from the East line of the Southeast Quarter of said Section 13;

Thence South 00°15'58" West, along said parallel line, a distance of 922.92 feet;

Thence South 02°46'39" West, departing said parallel line, a distance of 114.11 feet to a point on a line which is parallel with and 45.00 feet Westerly, as measured at right angles, from the East line of the Southeast Quarter of said Section 13;



Legal Description for
Del Rio Ranch
Salt River Project Irrigation Easement
Avondale Boulevard – City of Avondale
October 26, 2006

EXHIBIT "A"

Thence South 00°15'58" West, along said parallel line, a distance of 280.70 feet to the True Point of Beginning.

Containing 0.605 Acres, more or less.

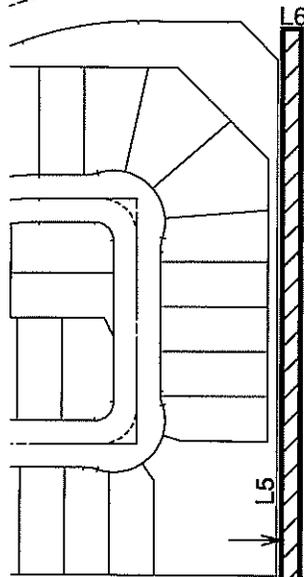


E. 1/4 COR.,
SEC. 13
T.1N., R.1W.



SCALE: 1" = 200'

WHYMAN AVENUE



BOULEVARD

LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°52'49"W	45.00' (TIE)
L2	N89°52'49"W	20.00'
L3	N00°15'58"E	281.19'
L4	N02°46'39"E	114.11'
L5	N00°15'58"E	922.48'
L6	S89°44'02"E	20.00'
L7	S00°15'58"W	922.92'
L8	S02°46'39"W	114.11'
L9	S00°15'58"W	280.70'

AVONDALE

S. 1/4 COR.,
SEC. 13,
T.1N., R.1W.

N89°52'49"W 2653.36'

LOWER
BUCKEYE ROAD

P. O. C.
SE. COR.
SEC. 13,
T.1N., R.1W.
T. P. O. B.

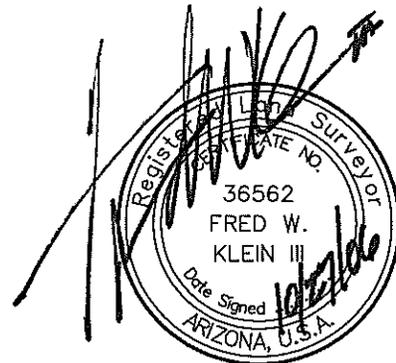


EXHIBIT "A"

N:\030113\LAND\EHSP\PIRR115TH.DGN

4550 NORTH 12TH STREET
PHOENIX, ARIZONA 85014
TELEPHONE (602) 264-6831

DEL RIO RANCH
S.R.P. IRRIGATION ESM'T - AVONDALE BLVD.

COE & VAN LOO
PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

JOB NO

030113

SHEET

Page 5 of 7

EXHIBIT "A"

November 8, 2006

LEGAL DESCRIPTION FOR
DEL RIO RANCH SALT RIVER PROJECT IRRIGATION EASEMENT
MARICOPA COUNTY DEPARTMENT OF TRANSPORTATION PARCEL

The West 20.00 feet of the East 65.00 feet of the South 32.00 feet of the North 65.00 feet of the Northeast Quarter of Section 24, Township 1 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County.

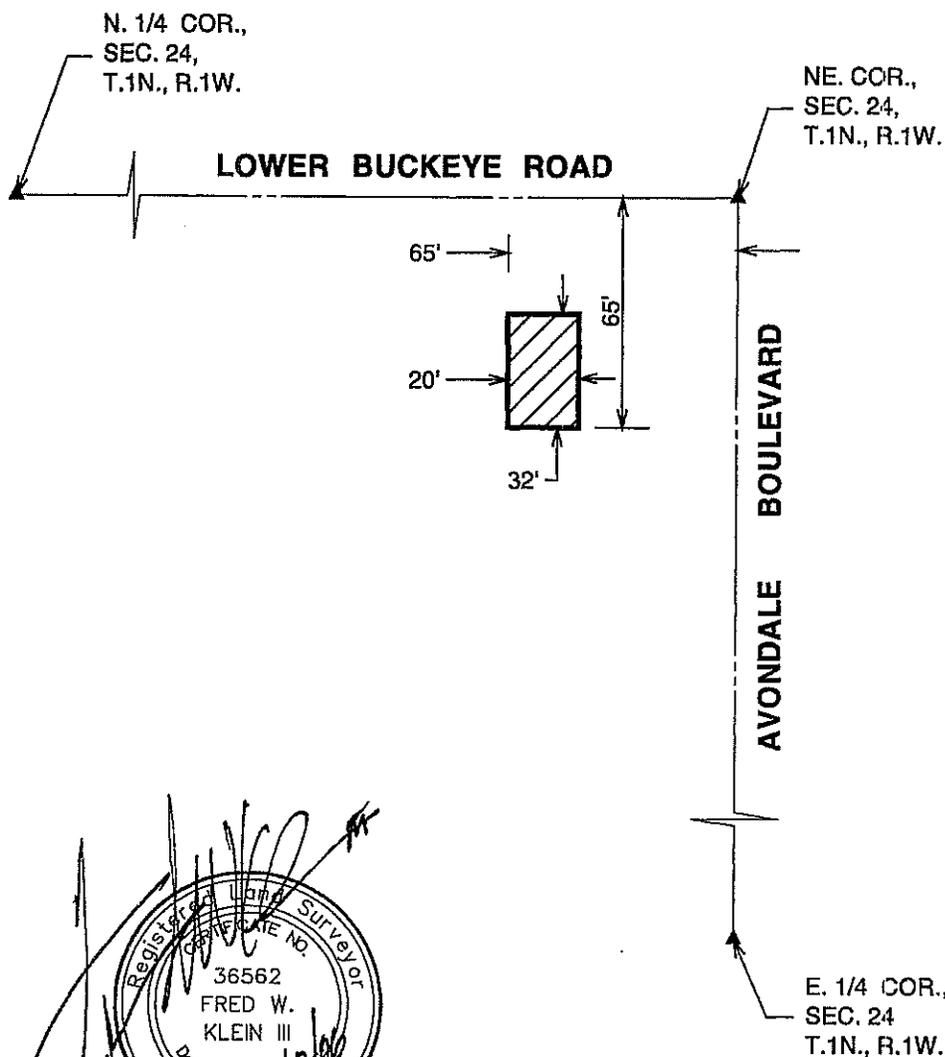
Containing 0.015 Acres, more or less.



EXHIBIT "A"



SCALE: 1" = 50'

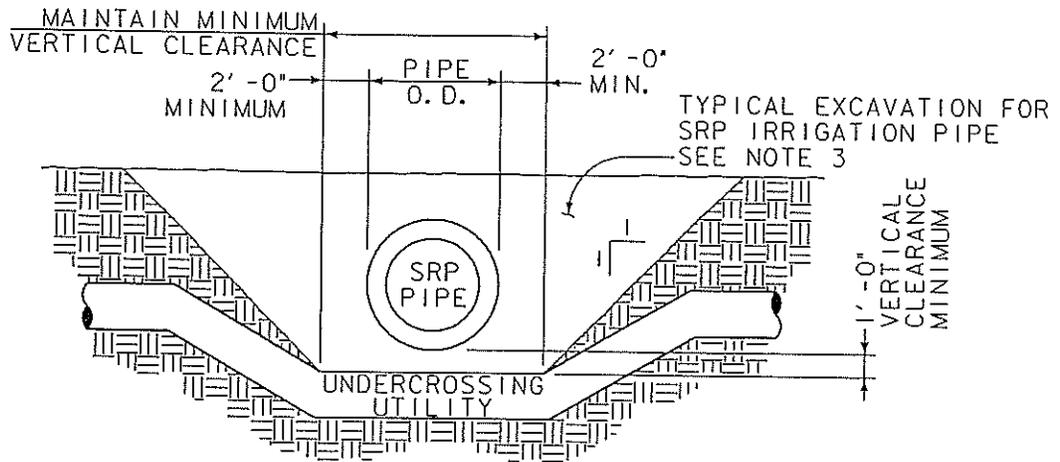


[Handwritten signature]
 Registered Professional Surveyor
 36562
 FRED W. KLEIN III
 Date Signed 11/1/06
 ARIZONA, U.S.A.

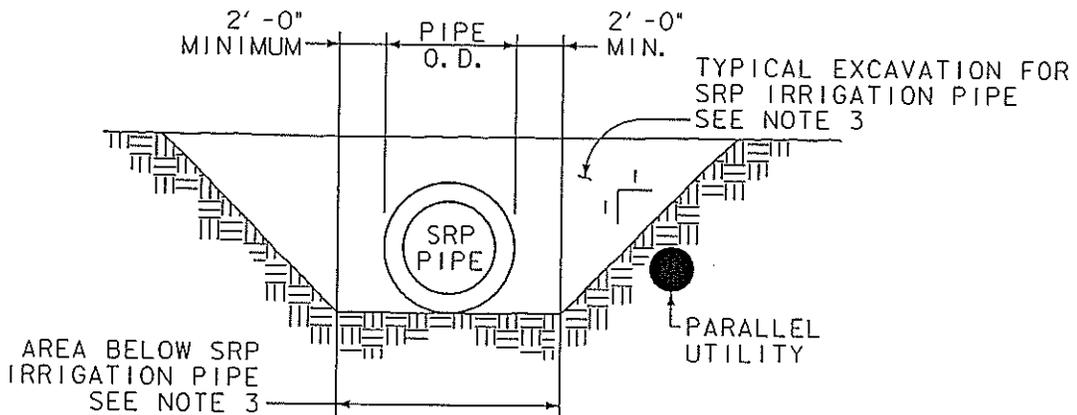
<p>EXHIBIT</p> <p>N:\030113\LAND\IHSRPIRRMCDOT.DGN</p> <p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>DEL RIO RANCH S.R.P. IRRIGATION EASEMENT - MCDOT PARCEL</p>	<p>JOB NO 030113</p>
<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>		<p>SHEET Page 7 of 7</p>

EXHIBIT B

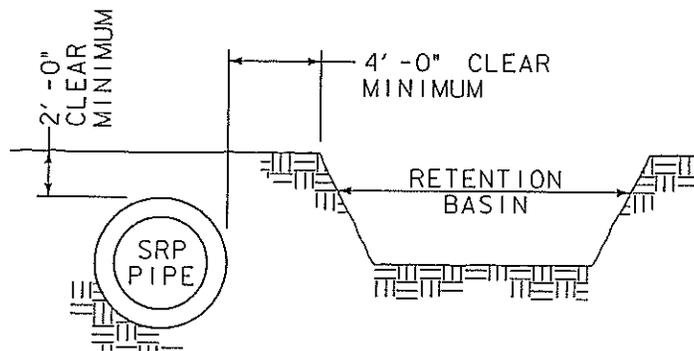
(PAGE 1 OF 2)



PIPELINE - UTILITY CROSSING



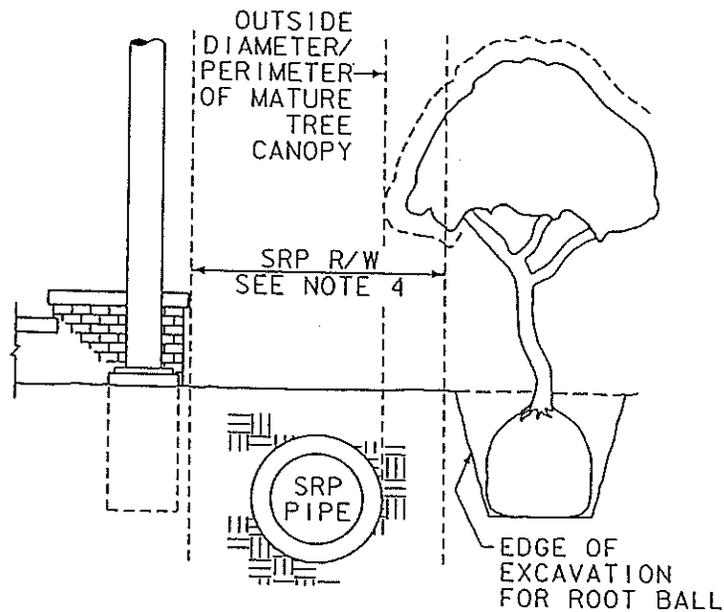
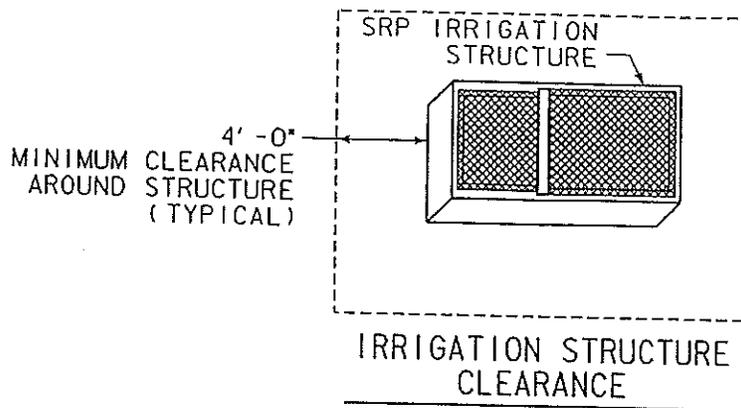
PIPELINE - PARALLEL UTILITY



PIPELINES - RETENTION BASIN

EXHIBIT B

(PAGE 2 OF 2)



PIPELINES - LANDSCAPING

NOTES

1. THESE GUIDELINES ARE PROVIDED AS A GENERAL AID TO PLANNING. ACTUAL SRP REQUIREMENTS MAY VARY BASED ON SITE-SPECIFIC CONDITIONS, OPERATIONAL CONSIDERATIONS, ETC.
2. AN SRP LICENSE IS REQUIRED FOR UTILITIES CROSSING/PARALLEL TO SRP IRRIGATION PIPE IN SRP RIGHT-OF-WAY. SRP REQUIRES ENGINEER DESIGNED UTILITY CROSSING/LOCATION AND EXCAVATION PLAN.
3. OTHER UTILITIES ARE NOT PERMITTED IN THESE AREAS.
4. SRP MAY LICENSE LIMITED USES OF ITS RIGHT-OF-WAY SUCH AS PARKING, SIDEWALK, LAWN, ETC. POLES, STRUCTURES AND TREES ARE TYPICALLY NOT PERMITTED IN SRP RIGHT-OF-WAY. INCLUDE DESIGN DRAWINGS FOR PROPOSED USE WHEN SUBMITTING REQUEST TO SRP FOR LICENSE.
5. REQUESTS FOR SRP LICENSES ARE HANDLED ON A CASE-BY-CASE BASIS. CONTACT SRP AT 602-236-2962 REGARDING LICENSES FOR SITES LOCATED NORTH OF THE SALT RIVER AND AT 602-236-5799 REGARDING LICENSES FOR SITES SOUTH OF THE SALT RIVER.

EXHIBIT C
TO
ORDINANCE NO. 1220-1206

[Right-of-Way License]

See following pages.

WHEN RECORDED MAIL TO: {PRIVATE }

SALT RIVER PROJECT

Land Department/PAB348
P. O. Box 52025
Phoenix, Arizona 85072-2025

RIGHT OF WAY LICENSE

Maricopa County

R/W No. Agt.
W _____ C _____

KNOW ALL MEN BY THESE PRESENTS:

That for the consideration of One (\$1.00) Dollar and other valuable considerations, **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**, an agricultural improvement district organized and existing under the laws of the State of Arizona, Licensor, hereby grants to ***, Licensee, a Right of Way License (“License”) conveying the nonexclusive right and privilege to enter upon and use the following described certain real property (“Licensed Property”) for roadway, landscaping, water, and sewer lines, situated in the County of Maricopa, State of Arizona, to-wit:

See Exhibit A attached hereto and by reference made a part hereof.

This License is subject to the paramount rights of the United States of America (“USA”) in and to the Licensed Property, federal reclamation law, and all agreements existing and to be made between and among the U.S.A., the Salt River Valley Water Users’ Association (“Association”) and Licensor regarding the management, care, operation and maintenance of the Reclamation Project.

The License herein granted shall be subject to the following additional conditions:

- 1) Licensor shall retain the prior right to construct, reconstruct, operate and maintain its existing and future irrigation, electrical and telecommunication facilities within the Licensed Property herein granted.
- 2) This License is nonexclusive and nothing herein shall be construed to prevent or restrict Licensor from granting other privileges to use the Licensed Property in a manner not inconsistent with Licensee’s use of the Licensed Property in accordance with this License.

- 3) Licensor shall not be liable for any expense, cost or charge arising from Licensee's exercise of rights granted herein. Licensee shall reimburse Licensor for all costs and expenses incurred by Licensor to remove or relocate irrigation or electrical facilities and landscaping to accommodate the purposes for which this License is issued.
- 4) Prior to making any improvements or requesting any proposed alteration to existing structures within the Licensed Property, Licensee shall submit plans for Licensor's approval. Such approval shall not be unreasonably withheld.
- 5) To the extent not prohibited by law, Licensee, its successors and assigns, shall indemnify, release, and hold harmless Licensor, Association and the United States of America, and the directors, officers, employees, agents, successors and assigns thereof, against and from any claim, demand, lawsuit or action of any kind for damages or loss, whether such damage or loss is to person or property, arising out of: (a) acts or omissions of Licensee, its agents, officers, directors, or employees; (b) Licensee's use or occupancy of the Licensed Property for the purposes contemplated by this License, including but not limited to claims by third parties who are invited or permitted onto the Licensed Property, either expressly or impliedly, by Licensee or by the nature of Licensee's improvement or other use of the Licensed Property pursuant to this License; (c) Licensee's failure to comply with or fulfill its obligations established by this License or by law. Such obligation to indemnify shall extend to and encompass all costs incurred by Licensor in defending against such claims, demands, lawsuits or actions, including but not limited to attorney, witness and expert witness fees, and any other litigation related expenses. Licensee's obligation pursuant to this Section shall not extend to liability attributable to the sole exclusive negligence or willful action of Licensor, its directors, officers, employees, agents, successors or assigns for which Licensor shall indemnify Licensee. The provisions of this Section shall survive termination of this License.
- 6) The License herein granted is subject to all prior licenses, leases, and easements of record.
- 7) Either party may terminate this License without cause upon not less than 360 days written notice.

IN WITNESS WHEREOF, _____
Has caused its name to be executed by its duly authorized representative(s), this _____ day of _____, _____.

APPROVED AS TO FORM

LICENSEE:

***, a municipal corporation

City Attorney

By _____

Its _____

ATTEST:

City Clerk

STATE OF _____)

) ss

COUNTY OF _____)

The forgoing instrument was acknowledged before me this _____ day of _____, 20____ by _____, as _____, _____, on behalf of such corporation.

My Commission Expires:

Notary Public

Note: This instrument is exempt from the real estate transfer fee and affidavit of legal value required under A.R.S. Sections 11-1132 and 11-1133 pursuant to the exemptions set forth in A.R.S. Sections 11-1134(A)(2) and (A)(3).

June 19, 2006

LEGAL DESCRIPTION FOR
DEL RIO RANCH
NEW U.S.A. FEE PROPERTY PARCEL NO. 3

That part of the Southwest Quarter of Section 13, Township 1 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Brass Cap in handhole marking the West Quarter Corner of said Section 13, from which the Brass Cap in handhole marking the Southwest Corner of said Section 13 bears South 00°33'56" West, a distance of 2,666.88 feet;

Thence South 00°33'56" West, along the West line of the Southwest Quarter of said Section 13, a distance of 38.01 feet to a point on a line which is parallel with and 38.00 feet Southerly, as measured at right angles, from the North line of the Southwest Quarter of said Section 13, said point also being the True Point of Beginning;

Thence North 89°27'11" East, departing said West line, along said parallel line, a distance of 33.01 feet to a point on a line which is parallel with and 33.00 feet Easterly, as measured at right angles, from the West line of the Southwest Quarter of said Section 13;

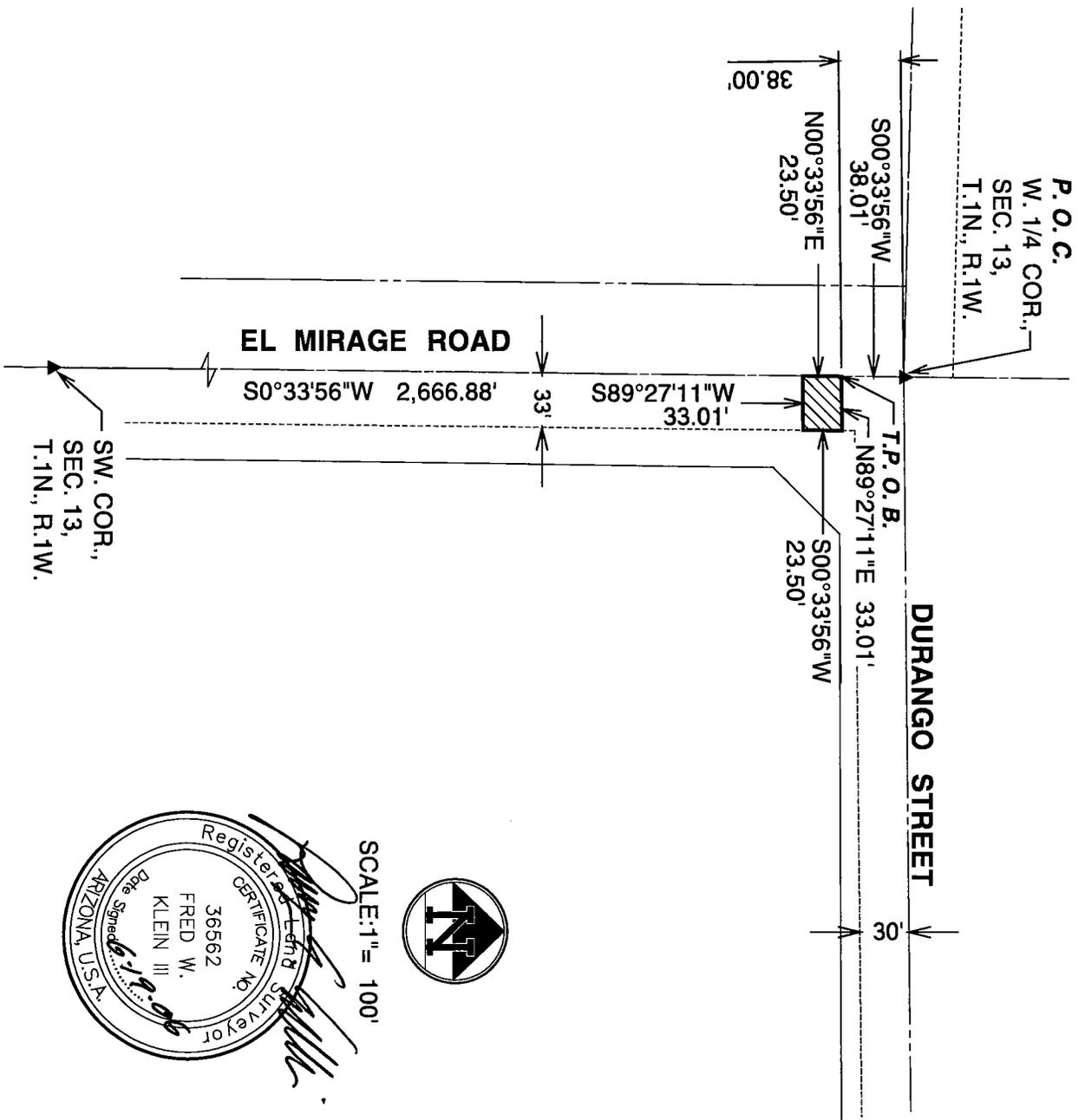
Thence South 00°33'56" West, along said parallel line, a distance of 23.50 feet to a point on a line which is parallel with and 61.50 feet Southerly, as measured at right angles, from the North line of the Southwest Quarter of said Section 13,

Thence South 89°27'11" West, along said parallel line, a distance of 33.01 feet to a point on the West line of the Southwest Quarter of said Section 13;

Thence North 00°33'56" East, along said West line, a distance of 23.50 feet to the True Point of Beginning.

Containing 0.018 Acres, more or less.



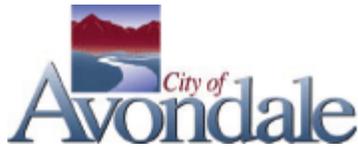


Register of Land Surveyors
 CERTIFICATE NO. 36562
 FRED W. KLEIN III
 Date Signed 6-19-06
 ARIZONA, U.S.A.

SCALE: 1" = 100'



EXHIBIT N:\030113\LAND\EHUSA03.DGN	DEL RIO RANCH NEW U.S.A. FEE PROPERTY PARCEL NO. 3	JOB NO 030113
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 1



CITY COUNCIL REPORT

SUBJECT:
Fiscal Year 2005-2006 Budget Adjustments

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that Council authorize fiscal year 2005-2006 budget adjustments.

BACKGROUND:

The audit for Fiscal Year 2005-06 has started, and budget adjustments are necessary in order to properly align the budget and expenditures for comparison in the financial statements.

Three expenditure classifications exceeded the adopted published budget for FY 2005-2006. In order to properly present the Budget to Actual schedules in the Comprehensive Annual Financial Report (CAFR), it is necessary to amend the adopted budget and transfer appropriation from the unanticipated revenues (209 - Other Grants).

Transfer From	Amount	Transfer To	Description
209 – Other Grants	40,820	101 – Health & Welfare	Transfer of internal service charges from grant funds
209 – Other Grants	150,000	215 - LTAF	Increase in STS Contract Assumed Phoenix Contract effective 4/1/06
209 – Other Grants	4,000	230 – Dedicated Sales Tax	Cost of audit not budgeted
209 – Other Grants	29,000 15,000	401 – Debt Service 417 - debt service	Change in principal & interest cost due to refunding

Within the Health and Welfare classification are the Social Services Divisions of the City. The cause of the overage in the Health and Welfare classification was the result of the transfer of internal service charges such as vehicle maintenance and replacement from the Senior Nutrition grant fund that preclude this type of expenditure to the Social Services' budget in the general fund.

The transfer to the Lottery Transportation Assistance Fund (LTAF) is required due to the increase (\$21,110) in the Maricopa County contract for Special Transportation Services (STS) and the payments (\$128,645) to the City of Phoenix for transit services previously paid by the Regional Public Transit Authority (RPTA) until April of 2006. A portion of these expenditures was reimbursed by the cities of Goodyear, Litchfield and Tolleson.

The transfer to the Dedicated Sales Tax fund is due to the omission of appropriations for the annual audit of the fund.

The transfer to 401 and 417 Debt Service funds is due to the reallocation of principal and interest costs after the bond refunding completed during FY 2005-06.

This does not negatively affect the City, as the revenues and available fund balance in each fund were sufficient to cover the respective change in expenditures.

The Unanticipated grant revenue fund was appropriated in the FY 05-06 budget to give the City the flexibility to receive and spend unanticipated revenues in the same year. The transfer from unanticipated revenues does not impact the financial position of the City.

BUDGETARY IMPACT:

The City's annual budget will be amended to reflect transfer of appropriation between funds.

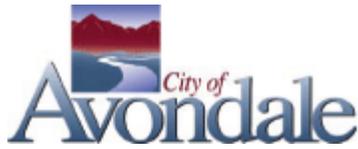
RECOMENDATION:

Staff recommends that the City Council approve the FY 2005-06 budget amendments.

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY COUNCIL REPORT

SUBJECT:
Liquor License - Rumbi Island Grill

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Deann Helman
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council consider a request by Mr. Brian Almassy for a Series 16 (State Series 12) Restaurant license to sell all spirituous liquors at Rumbi Island Grill, 9915 West McDowell Road.

DISCUSSION:

The City Clerk's Office has received an application for a Series 16 (State Series 12) Restaurant license to sell all spirituous liquors from Mr. Brian Almassy, Rumbi Island Grill, 9915 West McDowell Road, Avondale, Arizona. This is a new license. The required fee of \$1,100.00 has been paid.

As required by state law and city ordinance, the application was posted from November 3, 2006 through November 23, 2006 and a notice was published in the West Valley View on November 24, 2006 and November 28, 2006. No comments were received.

The Arizona Department of Liquor License and Control has accepted this application as submitted as complete.

The Police, Planning, and Fire Departments have reviewed the application and are recommending approval. Their comments are attached.

RECOMENDATION:

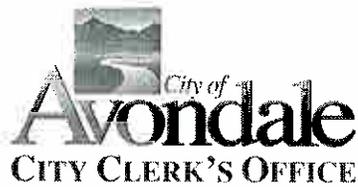
Staff recommends that the City Council approve this request by Brian Almassy, for a Series 16 (State Series 12) Restaurant license to sell all spirituous liquors at Rumbi Island Grill, 9915 West McDowell Road.

ATTACHMENTS:

Click to download

[Comments](#)

[Rumbi Application](#)



DEPARTMENTAL REVIEW FORM

TYPE OF LICENSE:

- OFF TRACK BETTING
- LIQUOR LICENSE SERIES # 16
- EXTENSION OF PREMISES

ROUTING:

- POLICE DEPARTMENT
- PLANNING/BUILDING SERVICES
- FIRE DEPARTMENT

APPLICANT'S NAME: BRIAN ALMASSY

BUSINESS NAME: RUMBI ISLAND GRILL

ADDRESS: 9915 WEST MCDOWELL ROAD

CITY: AVONDALE **STATE:** AZ **ZIP CODE:** 85323

DEPARTMENTAL COMMENTS:

- APPROVED
- DENIED



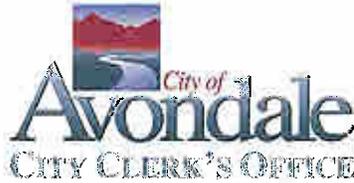
 SIGNATURE
 FIRE MARSHAL

 TITLE

11/21/06

 DATE

THIS LICENSE IS SCHEDULED FOR THE COUNCIL MEETING OF: DECEMBER 4, 2006
PLEASE RETURN YOUR COMMENTS TO THE CITY CLERK'S OFFICE BY: NOVEMBER 15, 2006



DEPARTMENTAL REVIEW FORM

TYPE OF LICENSE:

- OFF TRACK BETTING
- LIQUOR LICENSE SERIES # 16
- EXTENSION OF PREMISES

ROUTING:

- POLICE DEPARTMENT
- PLANNING/BUILDING SERVICES
- FIRE DEPARTMENT

APPLICANT'S NAME: BRIAN ALMASSY

BUSINESS NAME: RUMBI ISLAND GRILL

ADDRESS: 9915 WEST MCDOWELL ROAD

CITY: AVONDALE **STATE:** AZ **ZIP CODE:** 85323

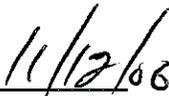
DEPARTMENTAL COMMENTS:

- APPROVED
- DENIED



SIGNATURE

TITLE



DATE

THIS LICENSE IS SCHEDULED FOR THE COUNCIL MEETING OF: DECEMBER 4, 2006
PLEASE RETURN YOUR COMMENTS TO THE CITY CLERK'S OFFICE BY: NOVEMBER 15, 2006



DEPARTMENTAL REVIEW FORM

TYPE OF LICENSE:

- OFF TRACK BETTING
- LIQUOR LICENSE SERIES # 16
- EXTENSION OF PREMISES

ROUTING:

- POLICE DEPARTMENT
- PLANNING/BUILDING SERVICES
- FIRE DEPARTMENT

APPLICANT'S NAME: BRIAN ALMASSY

BUSINESS NAME: RUMBI ISLAND GRILL

ADDRESS: 9915 WEST MCDOWELL ROAD

CITY: AVONDALE **STATE:** AZ **ZIP CODE:** 85323

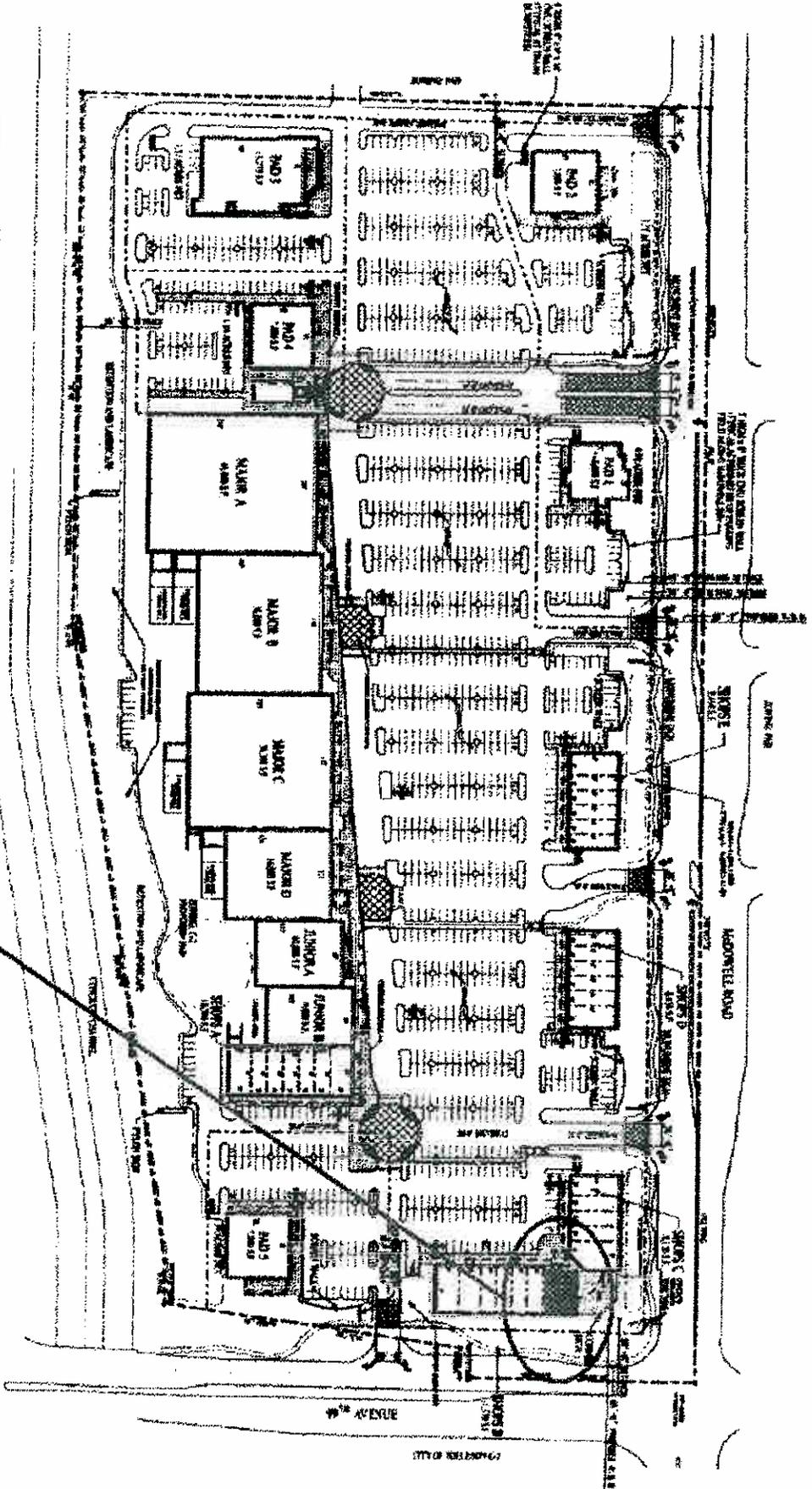
DEPARTMENTAL COMMENTS:

- APPROVED
- DENIED

David L. [Signature] 11-15-06
 SIGNATURE DATE
Assistant City Manager
 TITLE *Interim Development Services Director*

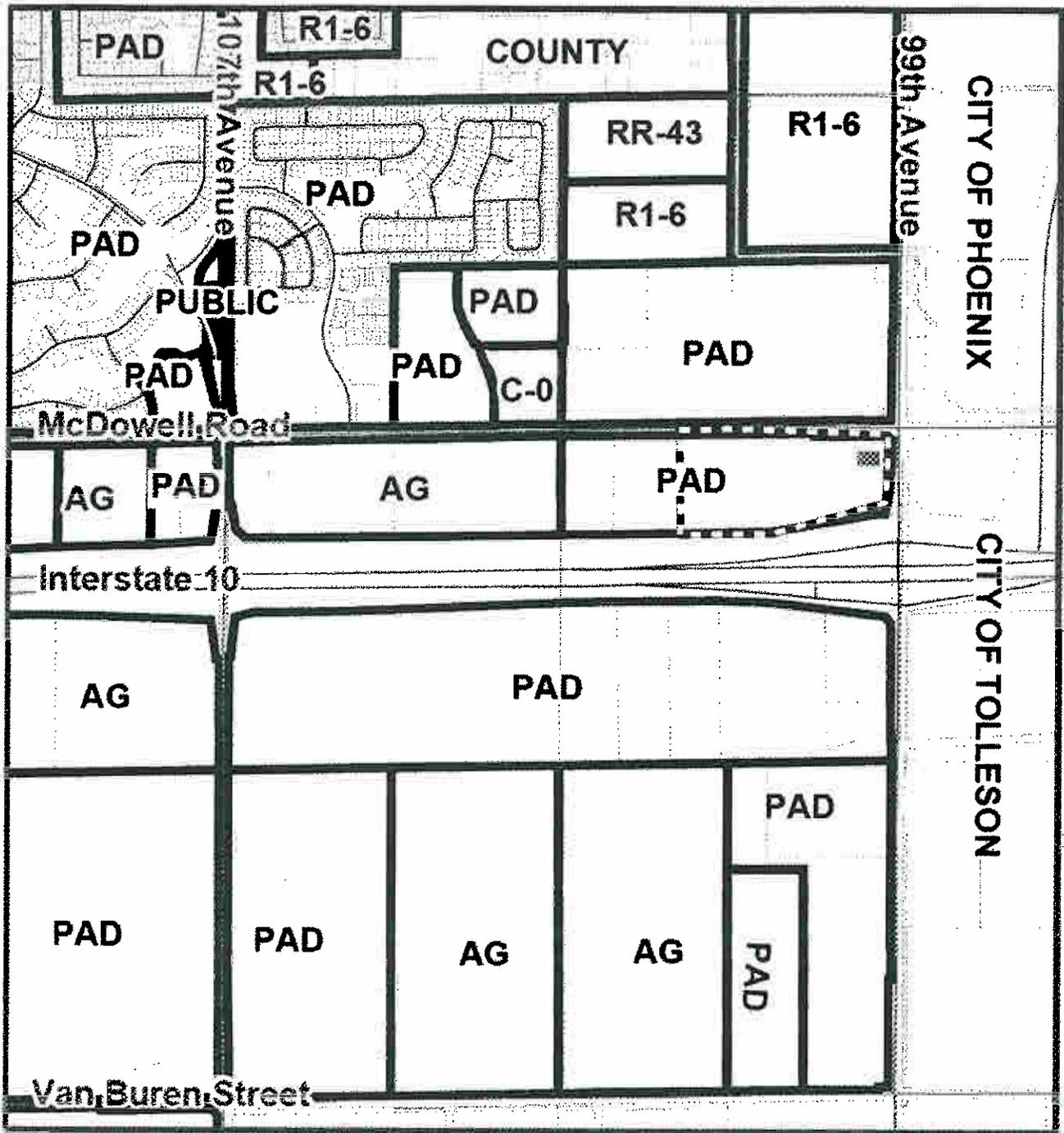
**THIS LICENSE IS SCHEDULED FOR THE COUNCIL MEETING OF: DECEMBER 4, 2006
PLEASE RETURN YOUR COMMENTS TO THE CITY CLERK'S OFFICE BY: NOVEMBER 15, 2006**

GATEWAY CROSSING
MCDOWELL ROAD AND 99th AVENUE



**Subject
Property**

61 JAMES H. HARRIS



Zoning Vicinity Map

	<ul style="list-style-type: none">  Gateway Crossing  Rumbi Grill 	
---	---	---



COUNTY

ENCANTO BLVD.

RIO VISTA ELEMENTARY
10237 W. ENCANTO BLVD.

CJS FILM STUDIOS

COSTCO

WATER TANK

PETER PIPER PIZZA

RED ROBIN

NATIVE NEW YORKER

CARRABBA'S

MCDOWELL RD. (1600 N.)

Chevron

Islands

Chipotle

Rumbi
Island Grill

Claim Jumper

CANAL

CANAL

I-10

DEALER DR.

Ichiban

Crossroads

WILLIAMS TRAVEL
CENTER

Porfirio H.
Gonzales
School

Church of
Jesus Christ of
Latter Day
Saints

99TH AVE (3900 W.)
CITY OF PHOENIX

101ST AVE.
99TH AVE. (3900 W.)
CITY OF TOLLESON

PIERCE ST.

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141



400 W Congress #521
Tucson AZ 85701-1352
(520) 628-6595

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH **BLACK INK**

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16, 17*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)
Complete Sections 2, 3, 4, 11, 13, 15, 16, 17
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)
Complete Sections 2, 3, 4, 12, 13, 15, 16, 17
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE
Complete Sections 2, 3, 4, 9, 13, 15, 17 (fee not required)
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16, 17*

SECTION 2 Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER Explain _____

SECTION 3 Type of license and fees:

LICENSE #: 12076875

1. Type of License: Series 12 2. Total fees attached: \$ _____

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. 44.6852)

SECTION 4 Applicant: (All applicants must complete this section)

1. Applicant/Agent's Name: Mr. Almassy Brian Thomas
(Insert one name ONLY to appear on license) Last First Middle
2. Corp./Partnership/L.L.C.: Rumbi AZ - Gateway Crossing, LLC B1036004
(Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name: Rumbi Island Grill B1036005
(Exactly as it appears on the exterior of premises)
4. Business Address: 9915 West McDowell Road Avondale Maricopa 85323
(Do not use PO Box Number) City COUNTY Zip
5. Business Phone: (_____) Pending Residence Phone: (480) 350-7185
6. Is the business located within the incorporated limits of the above city or town? YES NO
7. Mailing Address: 435 Universal Circle, Sandy, UT 84070
City State Zip
8. Enter the amount paid for a 06, 07, or 09 license: \$ n/a (Price of License ONLY)

DEPARTMENT USE ONLY

Accepted by: <u>J.W.</u>	Date: <u>10/27/06</u>	Lic. # <u>12076875</u>
Fees: <u>100</u>	<u>-</u>	<u>-</u>
Application	Interim Permit	Agent Change
Club	F. Prints	TOTAL

PROCESSING APPLICATIONS TAKES APPROXIMATELY 90 DAYS, AND CIRCUMSTANCES OFTEN RESULT IN A LONGER WAITING PERIOD.
YOU ARE CAUTIONED REGARDING PLANS FOR A GRAND OPENING, ETC., BEFORE FINAL APPROVAL AND ISSUANCE OF THE LICENSE.

SECTION 5 Interim Permit:

Not applicable

1. If you intend to operate business while your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. _____
4. Is the license currently in use? YES NO If no, how long has it been out of use? _____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, _____, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, STOCKHOLDER OR LICENSEE of the stated license and location.

X _____ State of _____ County of _____
 (Signature) The foregoing instrument was acknowledged before me this _____
 Day Month Year

My commission expires on: _____
 (Signature of NOTARY PUBLIC)

SECTION 6 Individual or Partnership Owners:

Not applicable

EACH PERSON LISTED MUST SUBMIT A COMPLETED FORM "LIC0101", AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$29 FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Residence Address	City State Zip
			%		

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Residence Address	City State Zip
<input type="checkbox"/> <input type="checkbox"/>				%		
<input type="checkbox"/> <input type="checkbox"/>				%		
<input type="checkbox"/> <input type="checkbox"/>				%		
<input type="checkbox"/> <input type="checkbox"/>				%		

(ATTACH ADDITIONAL SHEET IF NECESSARY)

2. Is any person, other than the above, going to share in the profits/losses of the business? YES NO
 If Yes, give name, current address and telephone number of the person(s) use additional sheets if necessary.

Last	First	Middle	Residence Address	City State Zip	Telephone #

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED FORM "LIC0101", AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$29 FEE FOR EACH CARD.

- CORPORATION Complete questions 1, 2, 3, 5, 6, 7, 8. 06 OCT 18 Licr. Dept PM 2 47
 L.L.C. Complete questions 1, 2, 4, 5, 6, 7 and attach copy of Articles of Org. and Operation Agreement.

1. Name of Corporation/L.L.C.: Rumbi AZ - Gateway Crossing, LLC
 (Exactly as it appears on Articles of Inc. or Articles of Org.)
2. Date Incorporated/Organized: 5/16/2006 State where Incorporated/Organized: Utah
3. AZ Corporation Commission File No.: n/a Date authorized to do business in AZ: n/a
4. AZ L.L.C. File No.: R-1289960-2 Date authorized to do business in AZ: 7/5/2006
5. Is Corp./L.L.C. non-profit? YES NO If yes, give IRS tax exempt number: n/a

6. List all directors /officers in Corporation/L.L.C.:

Last	First	Middle	Title	Residence Address	City State Zip
				435 Universal Circle, Sandy, UT 84070	
				435 Universal Circle, Sandy, UT 84070	
				435 Universal Circle, Sandy, UT 84070	
*see attached chart					

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders or controlling members owning 10% or more:

Last	First	Middle	% Owned	Residence Address	City State Zip
*see attached chart			%		
*see attached chart			%		
*see attached chart			%		
*see attached chart			%		

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach an ownership, and director/officer/members disclosure for the parent entity. Attach additional sheets as necessary in order to disclose real people.

Not applicable

SECTION 8 Club Applicants:

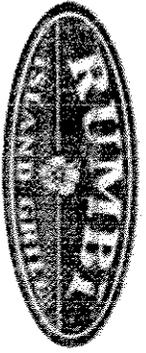
EACH PERSON LISTED MUST SUBMIT A COMPLETED FORM "LIC0101", AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$29 FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
 (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? YES NO If tax exempt, give IRS tax exempt number: _____

3. List officer and directors:

Last	First	Middle	Title	Residence Address	City State Zip

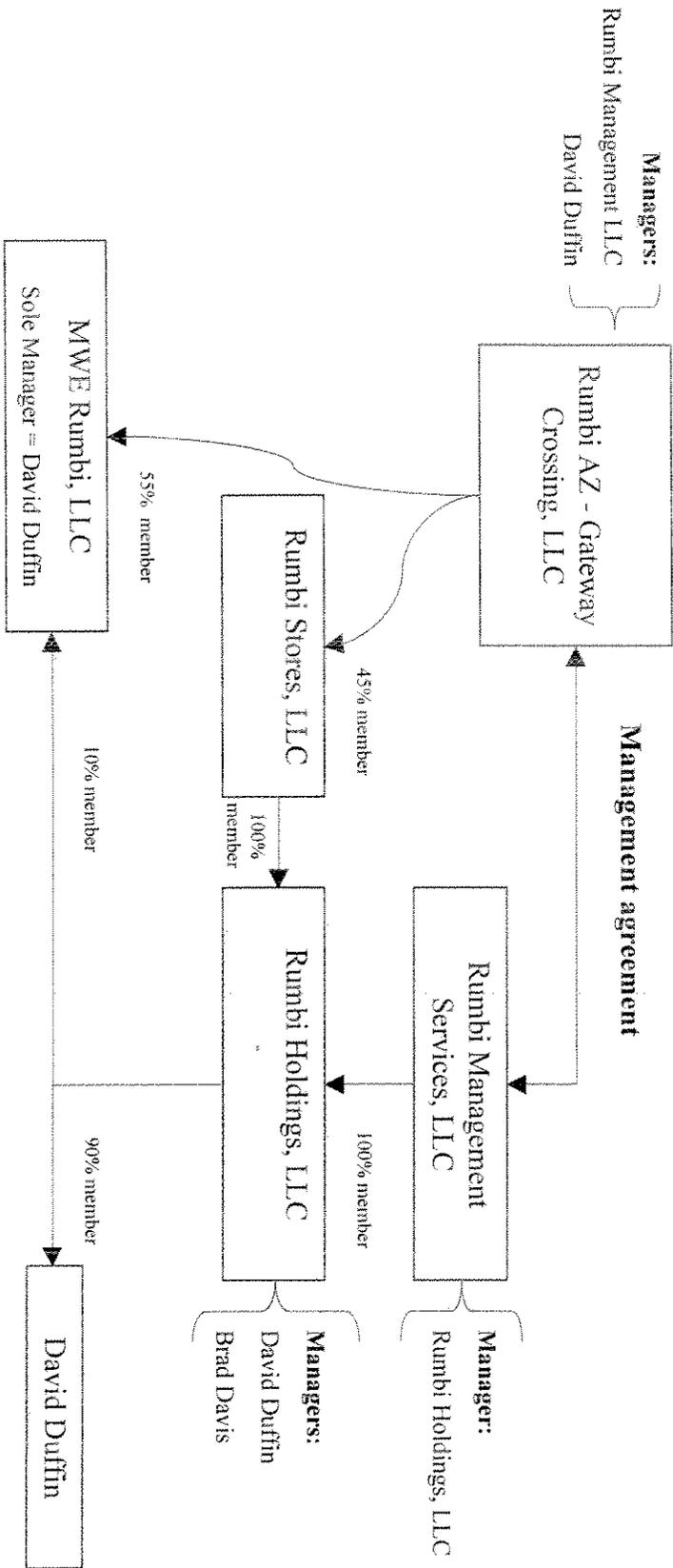
(ATTACH ADDITIONAL SHEETS IF NECESSARY)



Rumbi Island Grill
Avondale, AZ

ORGANIZATION CHART

OK with Cough



SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store: Not applicable

- 1. Current Licensee's Name: _____
(Exactly as it appears on license) Last First Middle
- 2. Assignee's Name: _____
Last First Middle
- 3. License Type: _____ License Number: _____ Date of Last Renewal: _____
- 4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 Government: (for cities, towns, or counties only) Not applicable

- 1. Person to administer this license: _____
Last First Middle
- 2. Assignee's Name: _____
Last First Middle

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 Person to Person Transfer: Not applicable

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY).

- 1. Current Licensee's Name: _____ Entity: _____
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
- 2. Corporation/L.L.C. Name: _____
(Exactly as it appears on license)
- 3. Current Business Name: _____
(Exactly as it appears on license)
- 4. Current Business Address: _____

- 5. License Type: _____ License Number: _____ Last Renewal Date: _____
- 6. Current Mailing Address (other than business): _____

- 7. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? YES NO
- 8. Does the applicant intend to operate the business while this application is pending? YES NO If yes, complete section 5, attach fee, and current license to this application.
- 9. I hereby relinquish my rights to the above described license to the applicant named in this application and hereby declare that the statements made in this section are true, correct and complete.

I, _____, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,
(Print full name)
STOCKHOLDER or LICENSEE of the stated license. I have read this section and the contents and all statements are true, correct and complete.

X _____
(Signature of CURRENT LICENSEE)
State of _____ County of _____
The foregoing instrument was acknowledged before me this
_____ Day _____ Month _____ Year

My commission expires on: _____
(Signature of NOTARY PUBLIC)

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

Not applicable

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE.

- 1. Current Business Name and Address: _____
(Exactly as it appears on license)
- 2. New Business Name and Address: _____
(Do not use PO Box Number)
- 3. License Type: _____ License Number: _____ Last Renewal Date: _____
- 4. What date do you plan to move? _____ What date do you plan to open? _____

05 OCT 18 1 49 PM '08

SECTION 13 Questions for all in-state applicants:

- 1. Distance to nearest school: 1.7 miles _____ ft. Name/Address of school: Rio Vista Elementary School
(Regardless of distance) 10237 W. Encanto Blvd.
Avondale, AZ 85323
- 2. Distance to nearest church: 1.7 miles _____ ft. Name/Address of church: Heritage Baptist Church
(Regardless of distance) 10237 W. Encanto Blvd.
Avondale, AZ 85323

- 3. I am the: LESSEE SUBLESSEE OWNER PURCHASER (of premises)
- 4. If the premises is leased give lessors name and address: Raintree Pad 2, LLC
One Camelback Road, Ste. 550, Phoenix, AZ 85012

- 4a. Monthly rental/lease rate \$ \$7,800 What is the remaining length of the lease? * Yrs _____ mos. +10 year lease started 11/16/2005
- 4b. What is the penalty if the lease is not fulfilled? \$ see other or other standard breach of lease damages
(give details - attach additional sheet if necessary)
- 5. What is the total **business** indebtedness of the applicant for this license/location excluding lease? \$ -0-

Does any one creditor represent more than 10% of that sum? YES NO If yes, list below. Total must equal 100%.

Last	First	Middle	% Owed	Residence Address	City	State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

- 6. What type of business will this license be used for? (BE SPECIFIC) Restaurant; food service
- 7. Has a license, or a transfer license for the premises on this application been denied by the state within the past one (1) year?
 YES NO If yes, attach explanation.
- 8. Does any spirituous liquor manufacturer, wholesaler, or employee, have any interest in your business? YES NO
- 9. Is the premises currently licensed with a liquor license? YES NO If yes, give license number and licensee's name:
Not applicable

(License #) (Exactly as it appears on License)

SECTION 14 Restaurant, or Hotel-Motel Applicants:

206 OCT 18 Lic. Dept PM 2 48

1. Is there a valid restaurant or hotel-motel liquor license at the proposed location? YES NO If yes, give licensee's name:

and license #: _____

Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. Section 4-203.01; and complete Section 5 of this application.

3. All restaurant applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor.

4. Do you understand that 40% of your annual gross revenue must be from food sales? YES NO

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

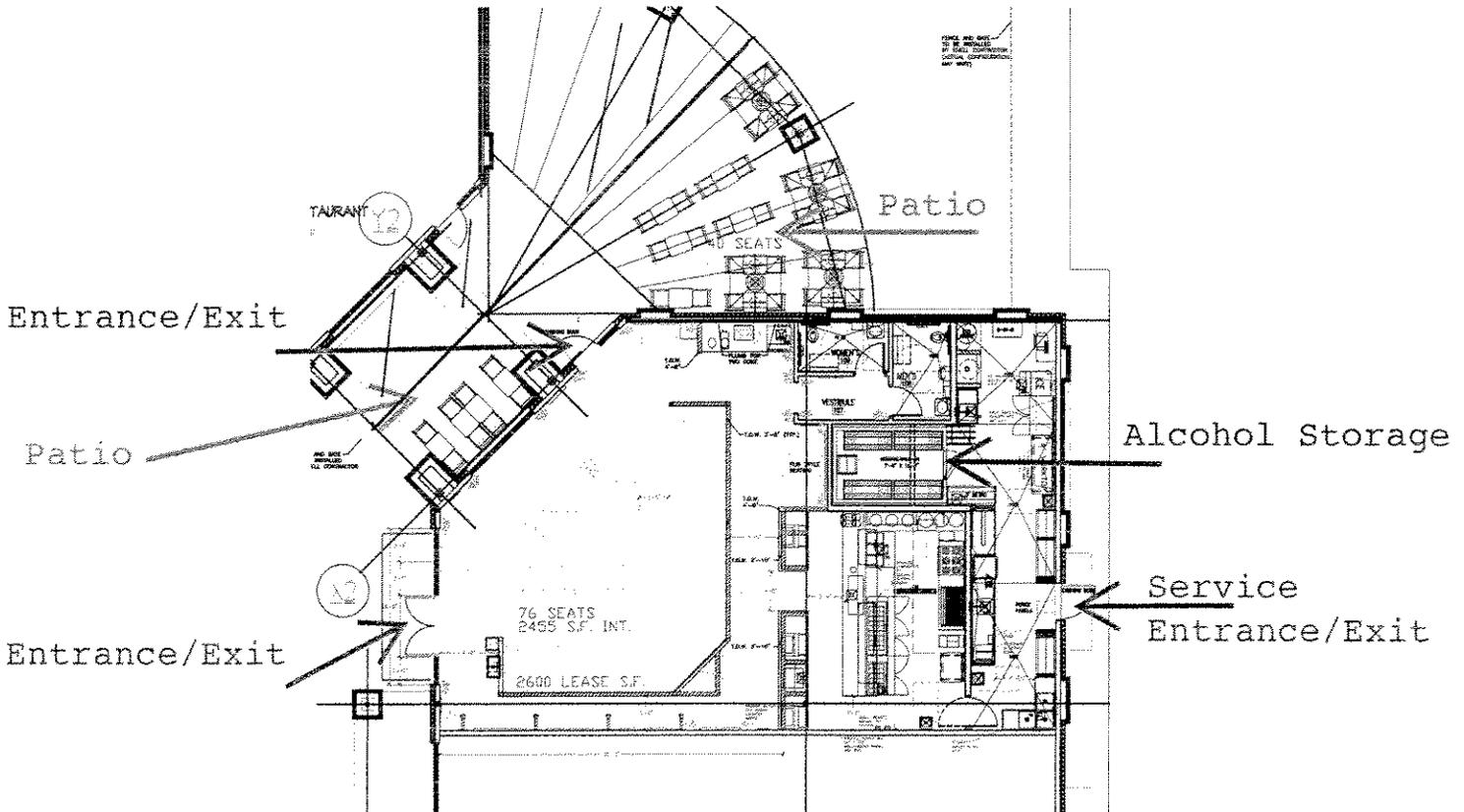
1. Check ALL boxes that apply to your licensed premises:

- Entrances/Exits
- Drive-in windows
- Service windows
- Liquor storage areas
- Patio enclosures
- Under construction: estimated completion date November 15, 2006

2. Restaurants and Hotel/Motel applicants must explicitly depict kitchen equipment and dining facilities.

3. The diagram below is the only area where spirituous liquor is to be sold, served, consumed, dispensed, possessed, or stored. Give the square footage or outside dimensions of the licensed premises.

DO NOT INCLUDE PARKING LOTS, LIVING QUARTERS, ETC.

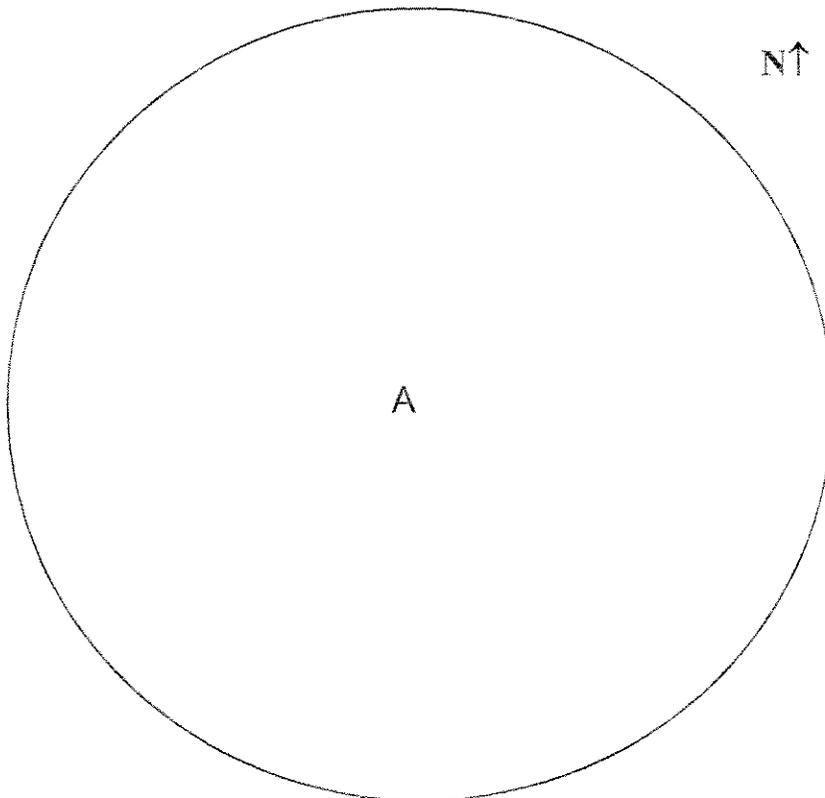


YOU MUST NOTIFY THE DEPARTMENT OF LIQUOR OF ANY CHANGES OF BOUNDARIES, ENTRANCES, EXITS, OR SERVICE WINDOWS MADE AFTER SUBMISSION OF THIS DIAGRAM.

SECTION 16 Geographical Data: A SAMPLE FOR THIS SECTION IS PROVIDED ON THE BACK OF THIS PAGE.

List below the exact names of all churches, schools, and spirituous liquor outlets within a one mile radius of your proposed location.

1. See attached
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____



(ATTACH ADDITIONAL SHEET IF NECESSARY)

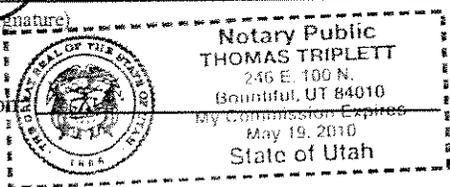
A = Your business name and identify cross streets.

SECTION 17 Signature Block:

I, David Alan Duffin, declare that: 1) I am the APPLICANT (Agent/Club Member/Partner), making (Print name of APPLICANT/AGENT listed in Section 4 Question 1) this application; 2) I have read the application and the contents and all statements are true, correct and complete; 3) that this application is not being made to defraud or injure any creditor, taxing authority, regulatory authority, or transferor; 4) that no other person, firm, or corporation, except as indicated, has an interest in the spirituous liquor license for which these statements are made; and 5) that to the best of my knowledge and belief, none of the owners, partners, members, officers, directors or stockholders listed have been convicted of a felony in the past five (5) years.

(Signature)

David Alan Duffin



My commission expires on _____

State of Utah County of Salt Lake
 The foregoing instrument was acknowledged before me this
4 October 2006
 Day Month Year

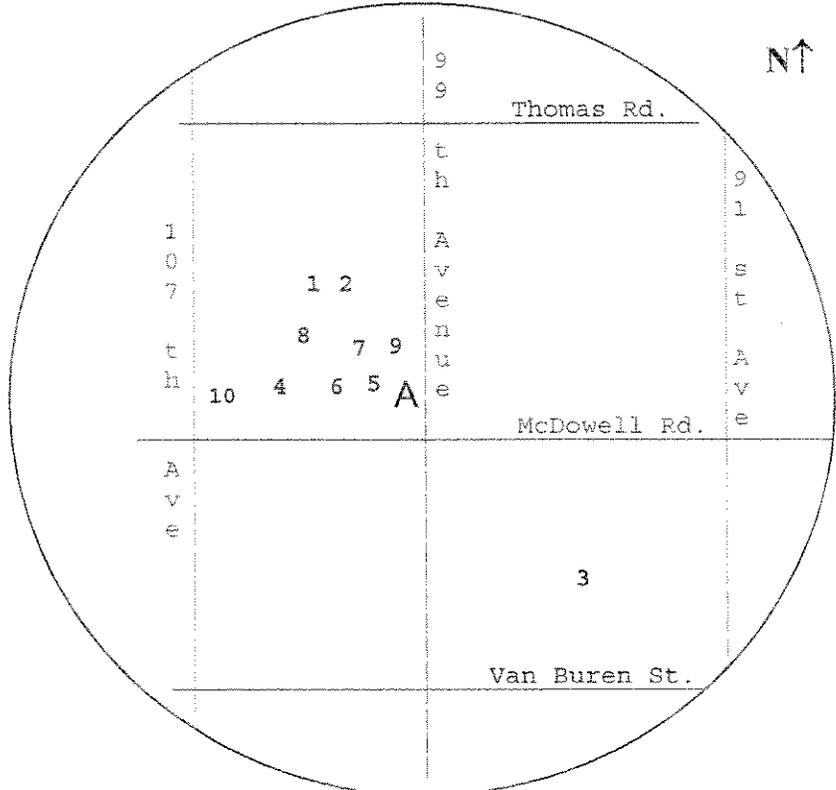
(Signature of NOTARY PUBLIC)

SECTION 16 Geographical Data: A SAMPLE FOR THIS SECTION IS PROVIDED ON THE BACK OF THIS PAGE.

List below the exact names of all churches, schools, and spirituous liquor outlets within a one mile radius of your proposed location.

1. Rio Vista Elementary School
2. Heritage Baptist Church
3. Latter Day Saints Church
4. Claim Jumper
5. Native New Yorker
6. Islands Burgers & Drinks
7. Chipotle
8. Red Robin Gourmet Burgers
9. Carrabbas
10. Johnny Rockets
11. _____
12. _____
13. _____
14. _____
15. _____

(ATTACH ADDITIONAL SHEET IF NECESSARY)



A = Your business name and identify cross streets.

SECTION 17 Signature Block:

I, David Alan Duffin, declare that: 1) I am the APPLICANT (Agent/Club Member/Partner), making (Print name of APPLICANT/AGENT listed in Section 4 Question 1) this application; 2) I have read the application and the contents and all statements are true, correct and complete; 3) that this application is not being made to defraud or injure any creditor, taxing authority, regulatory authority, or transferor; 4) that no other person, firm, or corporation, except as indicated, has an interest in the spirituous liquor license for which these statements are made; and 5) that to the best of my knowledge and belief, none of the owners, partners, members, officers, directors or stockholders listed have been convicted of a felony in the past five (5) years.

X David Alan Duffin
(Signature)

State of Utah County of Salt Lake
The foregoing instrument was acknowledged before me this

Day Month Year

My commission expires on: _____

(Signature of NOTARY PUBLIC)

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
 Phoenix AZ 85007-2934
 (602) 542-5141



18 Lic. Dept PM 2 48 400 W Congress #521
 Tucson AZ 85701-1352
 (520) 628-6595

RESTAURANT OPERATION PLAN

LICENSE # 12076875

1. List by Make, Model and Capacity of your :

Grill	Baker's Pride: Charbroiler XX-8 / 6 Top Burner/Range XOB-636
Oven	Amana R CS10DA
Freezer	True: Work top Freezer TWT-48F
Refrigerator	Brown, Custom Walk-in cooler / True
Sink	Advance Taboo: 3-compartment sink 94-K4-24D / Prep sink 9-21-20-18R
Dish Washing Facilities	Mt. Hood: Dish Machine AFC-3D
Food Preparation Counter (Dimensions)	SMS Custom Built 36" front line work table / Advance Taboo: 5 work tables - 36", (2) 48", TFAG-305 60", 72"
Other	too numerous to list

2. Print the name of your restaurant: Rumbi Island Grill

3. Attach a copy of your menu (Breakfast, Lunch and Dinner including prices).

4. List the seating capacity for:

- a. **Restaurant area** of your premises [78]
- b. **Bar area** of your premises [+ 0]
- c. **Total area** of your premises [78]

5. What type of dinnerware and utensils are utilized within your restaurant?

- Reusable Disposable

6. Does your restaurant have a bar area that is distinct and separate from the restaurant seating? (If yes, what percentage of the public floor space does this area cover). Yes _____ % No

7. What percentage of your public premises is used primarily for restaurant dining? (Does not include kitchen, bar, cocktail tables or game area.) 100% %

***Disabled individuals requiring special accommodations, please call the Department.**

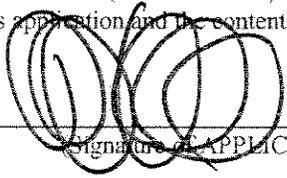
8. Does your restaurant contain any games or television? Yes No
If yes, specify what types and how many of each type (Televisions, Pool tables, Video Games, Darts, etc).

9. Do you have live entertainment or dancing? Yes No
(If yes, what type and how often?)

10. Use space below or attach a list of employee positions and their duties to fully staff your business.

*30 employees
Cook: Prepare and cook food
Prep Cook: Prep only
Front of house: cash handlers, guest service, meal delivery, busing of tables
cleanliness

I, David A. Duffin, hereby declare that I am the APPLICANT filing this application. I have
(Print full name)
read this application and the contents and all statements true, correct and complete.



(Signature of APPLICANT)

State of Utah County of Salt Lake
The foregoing instrument was acknowledged before me this
4 day of October, 2006.
Day of Month Month Year

My commission expires on

 Notary Public
THOMAS TRIPLETT
246 E. 100 N.
Bountiful, UT 84010
My Commission Expires
May 19, 2010
State of Utah



(Signature of NOTARY PUBLIC)

SOUP & SALAD

BAHAMA MAMA'S TORTILLA SOUP™
Savory chicken broth with a hint of coconut milk, served with grilled diced chicken breast, tomatoes and carrots. Topped with low-fat mozzarella cheese, crispy tortilla strips & a wedge of lime.
MED. BOWL \$2.59 LG. BOWL \$4.59

SOUP & SALAD

Cup of Bahama Mama's Tortilla Soup™ & choice of Side House or Side Caesar Salad.

MED. BOWL \$4.99 LG. BOWL \$6.99

SIDE HOUSE SALAD

Exotic field greens, served with mandarin oranges, carrots, feta cheese and walnuts, topped with our creamy balsamic vinaigrette or ranch dressing.

\$2.99

SIDE CAESAR SALAD

Crisp romaine mix, sliced roma tomatoes, shaved parmesan cheese, garlic herb croutons, tossed with our creamy caesar dressing.

\$2.99

LITTLE KAHUNA'S

Kid's Meals for children 12 and under. Includes small drink.

HAWAIIAN TERIYAKI BOWL

Grilled chicken breast and fresh veggies. Cheese rice or noodles.

\$3.29

MAC & CHEESE

\$3.29

ISLAND COOLERS

Cool, refreshing, non-alcoholic all natural island smoothies to transport you to the tropics.

ALL ISLAND COOLERS

Pina Colada and Mango Passion

\$2.99

BEVERAGES

BOTTLED FIJI WATER

16OZ. \$1.59 33OZ. \$2.49

FOUNTAIN DRINKS & FRESH BREWED ICED TEA

REG \$1.49

BOTTLED FRUIT JUICES

\$1.99

MENU



06 OCT 18 Lique Dept PM 2:48

PHONE AHEAD CARRY OUT

SCOTTSDALE PROMENADE

7325 E. FRANK LLOYD WRIGHT BLVD. SCOTTSDALE, AZ 85260
TEL (480) 315-8622 FAX (480) 315-8626

PHOENIX ARCADIA COMMONS

4280 E. INDIAN SCHOOL PHOENIX, AZ 85018
TEL (602) 224-0092 FAX (602) 224-0094

MESA VILLAGE SQUARE AT DANA PARK

Coming above spring 2006
(BASELINE AND VAL VISTA)



RUMBI.COM

Escape and relax,
the islands await you...

ISLAND RICE BOWLS

All rice bowls are served with your choice of white or brown rice, and fresh sautéed vegetables.

(broccoli, carrots, celery, zucchini, and red pepper)

HALF \$6.29 FULL \$7.29

1. CHOOSE a flavorful island preparation below
2. CHOOSE half or full size
3. CHOOSE chicken, steak, luau pork-veggie, organic tofu, or shrimp
4. CHOOSE white or brown rice, or add noodles for 79¢

HAWAIIAN TERIYAKI

A flavorful Hawaiian sweet soy glaze with a hint of pineapple (cheese regular or spicy)

JAMAICAN JERK

A sweet, spicy glaze infused with a blend of tropical herbs and spices served with Rumbi Rice (coconut rice & red beans)

BALI ISLAND

A mildly spicy, flavorful Bali peanut sauce garnished with crushed peanuts

CHICKEN

STEAK

LUAU PORK

VEGGIE

ORGANIC TOFU

STEAK & CHICKEN COMBO

SHRIMP

TROPICAL SALADS

ALL SALADS \$7.29

VOODOO CHICKEN SALAD™

Exotic field greens, jerk chicken breast, roma tomatoes, feta cheese, corn strips, tossed with a mildly spicy sesame ginger vinaigrette dressing.

RUMBI BBQ CHICKEN SALAD™

Crisp chopped romaine lettuce mix, teriyaki chicken breast, black beans, sweet corn, jicama, cilantro, scallions, crispy corn tortilla strips, diced roma tomatoes, and our tasty herb ranch dressing. Topped with low-fat mozzarella cheese.

JAMAICAN JERK CAESAR SALAD™

Crisp chopped romaine lettuce mix, jerk chicken breast, shaved parmesan cheese, garlic herb croutons, diced roma tomatoes all tossed with our creamy caesar dressing.

SOUTH SEAS CHICKEN SALAD™

Crisp chopped romaine lettuce mix, teriyaki chicken breast, jicama carrots, mandarin oranges, scallions, cilantro, Hawaiian teriyaki noodles, sliced almonds, crisp wonton strips and a tangy South Pacific sesame ginger dressing.

ALOHA MANGO CHICKEN SALAD™

Exotic field greens, teriyaki chicken breast, fresh mango chunks, gongozola cheese, red pepper, red onion, and crispy corn tortilla strips tossed with creamy mango passionfruit vinaigrette. *Our chef recommends trying this salad with steak.*

CARIBBEAN CHICKEN SALAD™

Crisp chopped romaine lettuce mix, teriyaki chicken breast, jicama carrots, black beans, corn relish, jicama, mandarin oranges, pineapple, Rumbi Rice, crispy corn tortilla strips and a savory low-fat Bākinī Island™ dressing (honey-lime).

HULA SALAD™

Exotic field greens with teriyaki chicken breast, red onions, red peppers, fresh mango and crisp wonton strips with macadamia nuts and sesame seeds, tossed in our creamy balsamic vinaigrette.

CALYPSO SPINACH SALAD™

Fresh spinach leaves with teriyaki chicken breast, mandarin oranges, crumbled jalapeño bacon, feta cheese, diced onion and caramelized walnuts, tossed in our creamy balsamic vinaigrette.

Fat-free sesame ginger dressing available upon request.

RUMBI FAVORITES

SANDWICHES

Served with tropical chips & salsa. Add Island Macaroni Salad or Asian Slaw for 99¢, or a field green salad with our creamy balsamic vinaigrette for \$1.29.

HAWAIIAN CHICKEN SANDWICH

Grilled chicken breast, swiss cheese, red onion, lite mayo, grilled pineapple, lettuce and tomato with a flavorful Hawaiian teriyaki glaze on a soft Kaiser bun. **\$6.29**

JERK CHICKEN SANDWICH

Grilled jerk chicken breast, swiss cheese, red onion, lite mayo, grilled pineapple, lettuce and tomato, with a sweet, mildly spicy Jamaican jerk glaze on a soft Kaiser bun. **\$6.29**

LUAU PORK SANDWICH

Slow roasted pulled Kalua pork served island-style with Kāhiku BBQ sauce topped with Asian Slaw on a soft Kaiser bun. **\$6.59**

BEACH CLUB™ SANDWICH

Roasted turkey breast, jalapeño smoked bacon, red onion, lite mayo, fresh sliced avocado, lettuce and tomato on sliced Hawaiian bread. **\$6.59**

ISLAND ENTRÉES

VOLCANO-BLACKENED™ MAHI

Hawaiian Mahi-Mahi (6 oz.) blackened in our unique Volcano Spice Blend™, topped with a citrus ahi and pineapple salsa, over steamed white rice. Served with Caesar salad. **\$8.49**

LUAU PORK PLATE

Slow roasted pulled Kalua pork topped with Teriyaki sauce. Served Hawaiian-style with Island Macaroni Salad, Asian Slaw and two scoops of white rice. **\$7.99**

EXTRAS

ISLAND MACARONI SALAD
OR ASIAN SLAW **99¢**

TROPICAL CHIPS & SAISA **\$1.99**

RUMBI COOKIES **\$1.49**

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141

06 OCT 18 11:49 AM Dept PM 2 49

400 W Congress #521
Tucson AZ 85701-1352
(520) 628-6595

HOTEL-MOTEL AND RESTAURANT LICENSES RECORDS REQUIRED FOR AUDIT OF SERIES #11 & #12 LICENSES

MAKE A COPY OF THIS DOCUMENT AND KEEP IT WITH YOUR DLLC RECORDS

In the event of an audit, you will be asked to provide to the Department any documents necessary to determine compliance with A.R.S. §4-205.02(G). Such documents requested may include however, are not limited to:

1. All invoices and receipts for the purchase of food and spirituous liquor for the licensed premises. If you do not have all food or liquor invoices, please contact your vendors immediately and request copies of missing invoices. These must be available for pick-up at the time of the Audit Interview Appointment. **If all food invoices are not available at that time, you may not be given credit for all food sales.**
2. A list of **all** food and liquor vendors
3. The restaurant menu used during the audit period
4. A price list for alcoholic beverages during the audit period
5. Mark-up figures on food and alcoholic products during the audit period
6. A recent, **accurate** inventory of food and liquor (taken within two weeks of the Audit Interview Appointment)
7. Monthly Inventory Figures - beginning and ending figures for food and liquor
8. Chart of accounts (copy)
9. Financial Statements-Income Statements-Balance Sheets
10. General Ledger
 - A. Sales Journals/Monthly Sales Schedules
 - 1) Daily sales Reports (to include the name of each waitress/waiter, bartender, etc. with sales for that day)
 - 2) Daily Cash Register Tapes - Journal Tapes and Z-tapes
 - 3) Guest Checks
 - 4) Coupons/Specials
 - 5) Any other evidence to support income from food and liquor sales
 - B. Cash Receipts/Disbursement Journals
 - 1) Daily Bank Deposit Slips
 - 2) Bank Statements and canceled checks
11. Tax Records
 - A. Transaction Privilege Sales, Use and Severance Tax Return (copies)
 - B. Income Tax Return - city, state and federal (copies)
 - C. Any supporting books, records, schedules or documents used in preparation of tax returns

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141

OCT 18 11:49 AM '03
LIC. DEPT. RM 2 419

400 W Congress #521
Tucson AZ 85701-1352
(520) 628-6595

QUESTIONNAIRE

Attention all Local Governing Bodies: Social Security and Birthdate Information is Confidential. This information may be given to local law enforcement agencies for the purpose of background checks only but must be blocked to be unreadable prior to posting or any public view.

Read carefully. This instrument is a sworn document. Type or print with black ink.
An extensive investigation of your background will be conducted. False or incomplete answers could result in criminal prosecution and the denial or subsequent revocation of a license or permit.

TO BE COMPLETED BY EACH OWNER, AGENT, PARTNER, STOCKHOLDER (10% OR MORE), MEMBER, OFFICER OR MANAGER. ALSO EACH PERSON COMPLETING THIS FORM MUST SUBMIT AN "APPLICANT" TYPE FINGERPRINT CARD WHICH MAY BE OBTAINED AT THE DEPT. FINGERPRINTING MUST BE DONE BY A BONA FIDE LAW ENFORCEMENT AGENCY OR A FINGERPRINTING SERVICE APPROVED BY THE DEPARTMENT OF LIQUOR. THE DEPARTMENT DOES NOT PROVIDE THIS SERVICE.

Liquor License #

12076875

(If the location is currently licensed)

Eff. 10/01/03 there is a \$29.00 processing fee for each fingerprint card submitted.

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. 44.6852)

1. Check appropriate box → Owner Partner Stockholder Member Officer Agent Manager(Only)
 Other _____ (Complete Questions 1-20 & 24) (Complete All Questions except # 14, 14a & 25)
 Licensee or Agent must complete # 25 for a Manager Licensee or Agent must complete # 25

2. Name: Almassy Brian Thomas Date of Birth: _____
 Last First Middle (This Will Not Become a Part of Public Records)

3. Social Security Number: _____ Drivers License #: _____ State: Arizona
 (This Will Not Become a Part of Public Records)

4. Place of Birth: Peoria IL USA Height: 5'10" Weight: 190 Eyes: Grn Hair: Brn
 City State Country (not county)

5. Marital Status Single Married Divorced Widowed Residence (Home) Phone: (480) 350 - 7185

6. Name of Current or Most Recent Spouse: n/a Date of Birth: n/a
 (List all for last 5 years - Use additional sheet if necessary) Last First Middle Maiden

7. You are a bona fide resident of what state? Arizona If Arizona, date of residency: 2005

8. Telephone number to contact you during business hours for any questions regarding this document. (480) 315 - 8622

9. If you have been a resident less than three (3) months, submit a copy of driver's license or voter registration card. pending

10. Name of Licensed Premises: Rumbi Island Grill Premises Phone: (_____) _____

11. Licensed Premises Address: 9915 West McDowell Road Avondale Maricopa 85323
 Street Address (Do not use PO Box #) City County Zip

12. List your employment or type of business during the past five (5) years, if unemployed part of the time, list those dates. List most recent 1st.

FROM Month/Year	TO Month/Year	DESCRIBE POSITION OR BUSINESS	EMPLOYER'S NAME OR NAME OF BUSINESS (Give street address, city, state & zip)
5/2005	CURRENT	General Manager	Rumbi Island Grill 4280 E. Indian School Rd., Ste. 101, Phoenix, AZ 85018
1/2000	5/2005	Various positions. Advanced from Food Server to Manager	PF Chang's/Pei Wei Asian Diner Inc. 15210 N Scottsdale Rd. #300, Scottsdale, AZ 85254

ATTACH ADDITIONAL SHEET IF NECESSARY FOR EITHER SECTION ↑

13. Indicate your residence address for the last five (5) years:

FROM Month/Year	TO Month/Year	Rent or Own	RESIDENCE Street Address If rented, attach additional sheet giving name, address and phone number of landlord	City	State	Zip
6/2005	CURRENT	Rent	17212 N. Scottsdale Rd. #2134	Scottsdale	AZ	85255
2/2004	5/2005	Rent	1155 E. 2100 St. #815	Salt Lake City	UT	84106
7/2003	1/2004	Rent	10115 Jeffries St. #2069	Las Vegas	NV	89123
9/2002	6/2003	Rent	14545 N. Frank Lloyd Wright Blvd.	Scottsdale	AZ	85260
8/2001	8/2002	Rent	1262 E. Weimer Circle #38	Tucson	AZ	85719

If you checked the Manager box on the front of this form skip to # 15

14. As an Owner, Agent, Partner, Stockholder, Member or Officer, will you be physically present and operating the the licensed premises? If you answered YES, how many hrs/day? ~4, answer #14a below. If NO, skip to #15. YES NO
- 14a. Have you attended a Department approved Liquor Law Training Course within the last 5 years? (Must provide proof) YES NO
If the answer to # 14a is "NO", course must be completed before issuance of a new license or approval on an existing license.
15. Have you **EVER** been detained, cited, arrested, indicted or summoned into court for violation of **ANY** law or ordinance (regardless of the disposition even if dismissed or expunged)? For traffic violations, include only those that were alcohol and/or drug related. YES NO
16. Have you **EVER** been convicted, fined, posted bond, been ordered to deposit bail, imprisoned, had sentence suspended, placed on probation or parole for violation of **ANY** law or ordinance (regardless of the disposition even if dismissed or expunged)? For traffic violations, include only those that were alcohol and/or drug related. YES NO
17. Are there **ANY** administrative law citations, compliance actions or consents, criminal arrests, indictments or summonses **PENDING** against you or **ANY** entity in which you are now involved? YES NO
18. Have you or any entity in which you have held ownership, been an officer, member, director or manager **EVER** had a business, professional or liquor APPLICATION OR LICENSE rejected, denied, revoked, suspended or fined in this or any other state? YES NO
19. Has anyone **EVER** filed suit or obtained a judgment against you in a civil action, the subject of which involved fraud or misrepresentation of a business, professional or liquor license? YES NO
20. Are you **NOW** or have you **EVER** held ownership, been a controlling person, been an officer, member, director, or manager on any other liquor license in this or any other state? YES NO

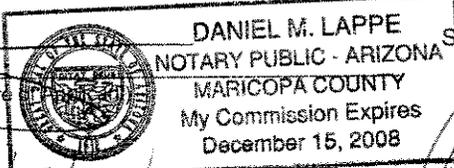
If any answer to Questions 15 through 20 is "YES" YOU MUST attach a signed statement. Give complete details including dates, agencies involved and dispositions.

If you checked the Manager box on the front of this form, fill in #21-23 and 24, all others skip the following box (21-23) and go to # 24

Manager Section

21. Have you attended a Department approved Liquor Law Training Course within the last 5 years? (Must provide proof) YES NO
If the answer to #21 is "NO" course must be completed **BEFORE ISSUANCE** of a new license **OR APPROVAL** on an existing license.
22. Do you make payments to the licensee? YES NO If "yes", how much? \$_____ per month. Total debt to licensee \$_____
23. Is there a formal written contract or agreement between you and the licensee relating to the operation or management of this business? YES NO If "yes", attach a copy of such agreement

24. I, Brian Thomas Almassy, hereby declare that I am the APPLICANT filing this questionnaire.
(Print full name of Applicant)
I have read this questionnaire and the contents and all statements are true, correct and complete.



(Signature) _____ State of Arizona County of Maricopa
The foregoing instrument was acknowledged before me this _____ day of October, 2006
(Signature of NOTARY PUBLIC)

My commission expires on: 12/15/2008
Day Month Year

FILL IN THIS SECTION ONLY IF YOU ARE A LICENSEE OR AGENT APPROVING A MANAGER APPLICATION
Licensee or Agent Approval of Manager

25.1. (Print Licensee/Agent's Name) Brian Thomas Almassy
Hereby authorize the applicant to act as manager for the named liquor license
State of Arizona County of Maricopa
The foregoing instrument was acknowledged before me this _____ day of _____, _____
X _____
(Signature of LICENSEE/AGENT)

My commission expires on: _____
Day Month Year (Signature of NOTARY PUBLIC)

*06 OCT 18 Ligr. Dept PM 2 50

Attachment to AZ Questionnaire
Rumbi AZ - Gateway Crossing, LLC
9915 West McDowell Road, Avondale, AZ 85323
October 6, 2006

Brian T. Almassy

Item 20

I am the Resident Agent for three companies that hold Series 12 alcoholic beverage licenses as follows:

Rumbi AZ - Dana Park, LLC ~ AZ DLLC License #12076733
1902 S. Val Vista Dr., Ste. 101, Mesa, AZ 85201

Rumbi AZ - Arcadia Commons, LLC ~ AZ DLLC License #12076732
4280 E. Indian School Rd., Ste 101, Phoenix, AZ 85018

Rumbi AZ - Promenade, LLC ~ AZ DLLC License #12076734
7325 E. Frank Lloyd Wright Blvd., Ste. 104, Scottsdale, AZ 85260

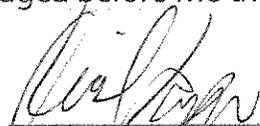


Brian T. Almassy

10-9-06

Date

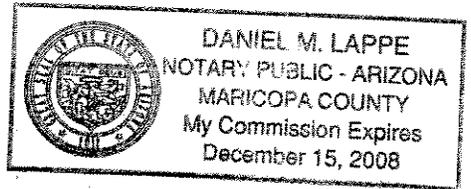
State of Arizona, County of Maricopa
The foregoing instrument was acknowledged before me this
9 day of October, 2006.



Signature of NOTARY PUBLIC

My commission expires on 12/15/2008

Day/month/year



06 OCT 18 Ligr. Dept PM 2 50

ARIZONA
Driver License

Number D02167848
Expires 01/22/2045
Date of Birth [REDACTED]
Issued 04/05/2006

BRIAN THOMAS ALMASSY
17212 N SCOTTSDALE RD #2134
SCOTTSDALE AZ 85265

Class D Sex M
Eyes BR Hair BR
Weight 170



ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141



400 W Congress #150
Tucson AZ 85701-1352
(520) 628-6595

CERTIFICATION OF COMPLETED ALCOHOL TRAINING PROGRAM(S)

OBTAIN ORIGINALS OF THIS FORM FROM DLLC DO NOT PHOTOCOPY. DOCUMENT IS COMPUTER SCANNED. TYPE OR PRINT WITH BLACK INK.

ALCOHOL TRAINING PROGRAM INDIVIDUAL INFORMATION

Brian Almasny
Individual Name (Print)

[Signature]
Individual Signature

TYPE OF TRAINING COMPLETED

TRAINER MUST CHECK YES OR NO FOR EACH TYPE

7-14-06

Date Training Completed

YES NO BASIC

YES NO ON SALE

YES NO MANAGEMENT

YES NO OFF SALE

YES NO BOTH

YES NO OTHER

IF TRAINEE IS EMPLOYED BY A LICENSEE:

NAME OF THE LICENSEE

BUSINESS NAME

LIQUOR LICENSE NUMBER

ALCOHOL TRAINING PROGRAM PROVIDER INFORMATION

A B C, ALCOHOL AWARENESS TASK FORCE

Company or Individual Name

5032 S. Ash Ave., Suite 116

Address

Tempe, Az., 85282

(480) 777-2983

City

State

Zip

Phone

I Certify the above named individual has successfully completed the specified program(s).

Jared Repinski

Trainer Name (Print)

[Signature]
Trainer Signature

7-14-06
Date

Trainer give original of completed form to trainee, photocopy and maintain completed document for your records.

Mandatory Liquor Law Training for all new applications submitted after Nov. 1, 1987. A.R.S. Section 4-112(G)(2).
Completion of the Liquor License Training Courses is required at the issuance of a license.

The person(s) required to attend both the Basic Liquor Law and Management Training, (either on-sale or off-sale), will include all of the following :
owner(s), licensee/agent or manager(s) WHO ARE ACTIVELY INVOLVED IN THE DAY TO DAY OPERATION OF THE BUSINESS.
Proof of attendance within the last five years for the required courses must be submitted to the Department before the license application is considered complete.

Before acceptance of a Manager's Questionnaire and/or Agent Change for an existing license, proof of attendance for the Basic Liquor Law and Management Training (either on-sale or off-sale) will be required.

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141

400 W Congress #521
Phoenix AZ 85701-1352
(520) 628-6595

QUESTIONNAIRE

Attention all Local Governing Bodies: Social Security and Birthdate Information is Confidential. This information may be given to local law enforcement agencies for the purpose of background checks only but must be blocked to be unreadable prior to posting or any public view.

Read carefully. This instrument is a sworn document. Type or print with black ink. An extensive investigation of your background will be conducted. False or incomplete answers could result in criminal prosecution and the denial or subsequent revocation of a license or permit.

TO BE COMPLETED BY EACH OWNER, AGENT, PARTNER, STOCKHOLDER (10% OR MORE), MEMBER, OFFICER OR MANAGER. ALSO EACH PERSON COMPLETING THIS FORM MUST SUBMIT AN "APPLICANT" TYPE FINGERPRINT CARD WHICH MAY BE OBTAINED AT THE DEPT. FINGERPRINTING MUST BE DONE BY A BONA FIDE LAW ENFORCEMENT AGENCY OR A FINGERPRINTING SERVICE APPROVED BY THE DEPARTMENT OF LIQUOR. THE DEPARTMENT DOES NOT PROVIDE THIS SERVICE.

Eff. 10/01/03 there is a \$29.00 processing fee for each fingerprint card submitted.

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. 44.6852)

Liquor License #

12076875

(If the location is currently licensed)

1. Check appropriate box → Owner Partner Stockholder Member Officer Agent Other _____ (Complete Questions 1-20 & 24) Licensee or Agent must complete # 25 for a Manager Manager(Only) (Complete All Questions except # 14, 14a & 25) Licensee or Agent must complete # 25

2. Name: Duffin David Alan Date of Birth: _____
Last First Middle (This Will Not Become a Part of Public Records)

3. Social Security Number: _____ Drivers License #: _____ State: Utah
(This Will Not Become a Part of Public Records)

4. Place of Birth: Hemet CA USA Height: 5'10" Weight: 160 Eyes: Brn Hair: Brn
City State Country (not county)

5. Marital Status Single Married Divorced Widowed Residence (Home) Phone: (801) 572-2522

6. Name of Current or Most Recent Spouse: Duffin Constance Sanders Date of Birth: _____
(List all for last 5 years - Use additional sheet if necessary) Last First Middle Maiden

7. You are a bona fide resident of what state? Utah If Arizona, date of residency: n/a

8. Telephone number to contact you during business hours for any questions regarding this document. (801) 545-0232

9. If you have been a resident less than three (3) months, submit a copy of driver's license or voter registration card. pending

10. Name of Licensed Premises: Rumbi Island Grill Premises Phone: () - -

11. Licensed Premises Address: 9915 West McDowell Road Avondale Maricopa 85323
Street Address (Do not use PO Box #) City County Zip

12. List your employment or type of business during the past five (5) years, if unemployed part of the time, list those dates. List most recent 1st.

FROM Month/Year	TO Month/Year	DESCRIBE POSITION OR BUSINESS	EMPLOYER'S NAME OR NAME OF BUSINESS (Give street address, city, state & zip)
10/2000	CURRENT	President, CEO	Rumbi Island Grill 435 W. Universal Circle, Sandy, UT 84070
3/1999	Current	Franchise owner	Jamba Juice 11668 Hidden Village Dr., Sandy, UT 84092

ATTACH ADDITIONAL SHEET IF NECESSARY FOR EITHER SECTION ↑ ↓

13. Indicate your residence address for the last five (5) years:

FROM Month/Year	TO Month/Year	Rent or Own	RESIDENCE Street Address	City	State	Zip
12/05	CURRENT	own	39 Lone Hollow	Sandy	UT	84092
10/1997	12/2005	own	11668 Hidden Village Dr.	Sandy	UT	84092

If you checked the Manager box on the front of this form skip to # 15

14. As an Owner, Agent, Partner, Stockholder, Member or Officer, will you be physically present and operating the the licensed premises ? If you answered YES, how many hrs/day? _____, **answer #14a below**. If NO, skip to #15. YES NO
- 14a. Have you attended a Department approved Liquor Law Training Course within the last 5 years? (Must provide proof) YES NO
 If the answer to # 14a is "NO", course must be completed before issuance of a new license or approval on an existing license.
15. Have you **EVER** been detained, cited, arrested, indicted or summoned into court for violation of **ANY** law or ordinance (regardless of the disposition even if dismissed or expunged)? For traffic violations, include only those that were alcohol and/or drug related. YES NO
16. Have you **EVER** been convicted, fined, posted bond, been ordered to deposit bail, imprisoned, had sentence suspended, placed on probation or parole for violation of **ANY** law or ordinance (regardless of the disposition even if dismissed or expunged)? For traffic violations, include only those that were alcohol and/or drug related. YES NO
17. Are there **ANY** administrative law citations, compliance actions or consents, criminal arrests, indictments or summonses **PENDING** against you or **ANY** entity in which you are now involved? YES NO
18. Have you or any entity in which you have held ownership, been an officer, member, director or manager **EVER** had a business, professional or liquor APPLICATION OR LICENSE rejected, denied, revoked, suspended or fined in this or any other state? YES NO
19. Has anyone **EVER** filed suit or obtained a judgment against you in a civil action, the subject of which involved fraud or misrepresentation of a business, professional or liquor license? YES NO
20. Are you **NOW** or have you **EVER** held ownership, been a controlling person, been an officer, member, director, or manager on any other liquor license in this or any other state? YES NO

If any answer to Questions 15 through 20 is "YES" YOU MUST attach a signed statement. Give complete details including dates, agencies involved and dispositions.

If you checked the Manager box on the front of this form, fill in #21-23 and 24, all others skip the following box (21-23) and go to # 24

Manager Section

21. Have you attended a Department approved Liquor Law Training Course within the last 5 years? (Must provide proof) YES NO
 If the answer to #21 is "NO" course must be completed **BEFORE ISSUANCE** of a new license **OR APPROVAL** on an existing license.
22. Do you make payments to the licensee? YES NO If "yes", how much? \$_____ per month. Total debt to licensee \$_____
23. Is there a formal written contract or agreement between you and the licensee relating to the operation or management of this business? YES NO If "yes", attach a copy of such agreement

24. I, David Alan Duffin, hereby declare that I am the APPLICANT filing this questionnaire.
 (Print full name of Applicant)
 I have read this questionnaire and the contents and all statements are true, correct and complete.

(Handwritten signature)

Notary Public
 THOMAS TRIPLETT
 246 E. 100 N.
 Bountiful, UT 84010
 My Commission Expires
 May 19, 2010
 State of Utah

State of Utah County of Salt Lake
 The foregoing instrument was acknowledged before me this
4 day of October, 2006
 Day Month Year
(Handwritten signature)
 (Signature of NOTARY PUBLIC)

My commission expires on: _____
 Day Month Year

FILL IN THIS SECTION ONLY IF YOU ARE A LICENSEE OR AGENT APPROVING A MANAGER APPLICATION
Licensee or Agent Approval of Manager

25. I, (**Print** Licensee/Agent's Name): _____
 Hereby authorize the applicant to act as manager for the named liquor license.
 State of _____ County of _____
 The foregoing instrument was acknowledged before me this
 X _____ day of _____, _____
 (Signature of LICENSEE/AGENT) Day Month Year
 My commission expires on: _____
 Day Month Year (Signature of NOTARY PUBLIC)

Attachment to AZ Questionnaire
Rumbi AZ - Gateway Crossing, LLC
9915 West McDowell Road, Avondale, AZ 85323
October 3, 2006

David A. Duffin

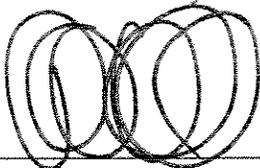
Item 20

I am a member of Rumbi Management Services, LLC and several of its subsidiaries hold Series 12 alcoholic beverage licenses as follows:

Rumbi AZ - Dana Park, LLC ~ AZ DLLC License #12076733
1902 S. Val Vista Dr., Ste. 101, Mesa, AZ 85201

Rumbi AZ - Arcadia Commons, LLC ~ AZ DLLC License #12076732
4280 E. Indian School Rd., Ste 101, Phoenix, AZ 85018

Rumbi AZ - Promenade, LLC ~ AZ DLLC License #12076734
7325 E. Frank Lloyd Wright Blvd., Ste. 104, Scottsdale, AZ 85260



David A. Duffin, Member

Date 10/4/06

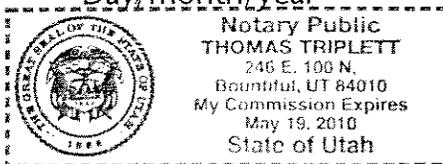
State of Utah, County of Salt Lake

The foregoing instrument was acknowledged before me this
4 day of October, 2006.



Signature of MOTARY PUBLIC

My commission expires on 19/5/2010
Day/month/year



ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141

06 OCT 18 11:49 AM '03

400 W Congress #521
Tucson AZ 85701-1352
(520) 628-6595

QUESTIONNAIRE

Attention all Local Governing Bodies: Social Security and Birthdate Information is Confidential. This information may be given to local law enforcement agencies for the purpose of background checks only but must be blocked to be unreadable prior to posting or any public view.

Read carefully. This instrument is a sworn document. Type or print with black ink. An extensive investigation of your background will be conducted. False or incomplete answers could result in criminal prosecution and the denial or subsequent revocation of a license or permit.

TO BE COMPLETED BY EACH OWNER, AGENT, PARTNER, STOCKHOLDER (10% OR MORE), MEMBER, OFFICER OR MANAGER. ALSO EACH PERSON COMPLETING THIS FORM MUST SUBMIT AN "APPLICANT" TYPE FINGERPRINT CARD WHICH MAY BE OBTAINED AT THE DEPT. FINGERPRINTING MUST BE DONE BY A BONA FIDE LAW ENFORCEMENT AGENCY OR A FINGERPRINTING SERVICE APPROVED BY THE DEPARTMENT OF LIQUOR. THE DEPARTMENT DOES NOT PROVIDE THIS SERVICE.

Liquor License #

12076875

(If the location is currently licensed)

Eff. 10/01/03 there is a \$29.00 processing fee for each fingerprint card submitted.

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. 44.6852)

1. Check appropriate box → Owner Partner Stockholder Member Officer Agent Other (Complete Questions 1-20 & 24) Licensee or Agent must complete # 25 for a Manager Manager(Only) (Complete All Questions except # 14, 14a & 25) Licensee or Agent must complete # 25

2. Name: Davis Bradley Todd Date of Birth: [REDACTED]
Last First Middle (This Will Not Become a Part of Public Records)

3. Social Security Number: [REDACTED] Drivers License #: [REDACTED] State: Utah
(This Will Not Become a Part of Public Records)

4. Place of Birth: Hemet CA USA Height: 6'2" Weight: 215 Eyes: Blue Hair: Blond
City State Country (not county)

5. Marital Status Single Married Divorced Widowed Residence (Home) Phone: (801) 571-9933

6. Name of Current or Most Recent Spouse: Davis Sandra P. Pehrson Date of Birth: [REDACTED]
(List all for last 5 years - Use additional sheet if necessary) Last First Middle Maiden

7. You are a bona fide resident of what state? Utah If Arizona, date of residency: n/a

8. Telephone number to contact you during business hours for any questions regarding this document. (801) 545-0232

9. If you have been a resident less than three (3) months, submit a copy of driver's license or voter registration card. pending

10. Name of Licensed Premises: Rumbi Island Grill Premises Phone: () - -

11. Licensed Premises Address: 9915 West McDowell Road Avondale Maricopa 85323
Street Address (Do not use PO Box #) City County Zip

12. List your employment or type of business during the past five (5) years. if unemployed part of the time, list those dates. List most recent 1st.

FROM Month/Year	TO Month/Year	DESCRIBE POSITION OR BUSINESS	EMPLOYER'S NAME OR NAME OF BUSINESS (Give street address, city, state & zip)
8/2003	CURRENT	VP Development	Rumbi Island Grill 435 W. Universal Circle, Sandy, UT 84070
8/2001	8/2003	VP Development	Tommies Donuts Out of business, Provo, UT
8/1999	8/2001	General Counsel	K-Tec 1206 S. 1680 W., Orem, UT 84059

ATTACH ADDITIONAL SHEET IF NECESSARY FOR EITHER SECTION

13. Indicate your residence address for the last five (5) years:

FROM Month/Year	TO Month/Year	Rent or Own	RESIDENCE Street Address	City	State	Zip
1/1996	CURRENT	own	10822 S. Starburst Circle	Sandy	UT	84094

If you checked the Manager box on the front of this form skip to # 15

14. As an Owner, Agent, Partner, Stockholder, Member or Officer, will you be physically present and operating the the licensed premises? If you answered YES, how many hrs/day? _____, **answer #14a below**. If NO, skip to #15. YES NO
- 14a. Have you attended a Department approved Liquor Law Training Course within the last 5 years? (Must provide proof) YES NO ^{n/a} NO
If the answer to # 14a is "NO", course must be completed before issuance of a new license or approval on an existing license.
15. Have you **EVER** been **detained, cited, arrested, indicted or summoned** into court for violation of **ANY** law or ordinance (regardless of the disposition even if dismissed or expunged)? **For traffic violations, include only those that were alcohol and/or drug related.** YES NO
16. Have you **EVER** been **convicted, fined, posted bond, been ordered to deposit bail, imprisoned, had sentence suspended, placed on probation or parole** for violation of **ANY** law or ordinance (regardless of the disposition even if dismissed or expunged)? **For traffic violations, include only those that were alcohol and/or drug related.** YES NO
17. Are there **ANY** administrative law citations, compliance actions or consents, criminal arrests, indictments or summonses **PENDING** against you or **ANY** entity in which you are now involved? YES NO
18. Have you or any entity in which you have held ownership, been an officer, member, director or manager **EVER** had a business, professional or liquor **APPLICATION OR LICENSE rejected, denied, revoked, suspended or fined** in this or any other state? YES NO
19. Has anyone **EVER** **filed suit or obtained a judgment against you** in a civil action, the subject of which involved **fraud or misrepresentation of a business, professional or liquor license?** YES NO
20. Are you **NOW** or have you **EVER** held **ownership**, been a **controlling person**, been an **officer, member, director, or manager** on **any other liquor license** in this or any other state? YES NO

If any answer to Questions 15 through 20 is "YES" YOU MUST attach a signed statement. Give complete details including dates, agencies involved and dispositions.

If you checked the Manager box on the front of this form, fill in #21-23 and 24, all others skip the following box (21-23) and go to # 24

Manager Section

21. Have you attended a Department approved Liquor Law Training Course within the last 5 years? (Must provide proof) YES NO
If the answer to #21 is "NO" course must be completed BEFORE ISSUANCE of a new license OR APPROVAL on an existing license.
22. Do you make payments to the licensee? YES NO If "yes", how much? \$_____ per month. Total debt to licensee \$_____
23. Is there a formal written contract or agreement between you and the licensee relating to the operation or management of this business? YES NO If "yes", attach a copy of such agreement

24. I, Bradley Todd Davis, hereby declare that I am the APPLICANT filing this questionnaire.
(Print full name of Applicant)
I have read this questionnaire and the contents and all statements are true, correct and complete.

State of Utah County of Salt Lake
The foregoing instrument was acknowledged before me this
9 day of October, 2006
Day Month Year
My commission expires on: _____
Day Month Year
Notary Public
THOMAS TRIPLETT
246 E. 100 N.
Bountiful, UT 84010
My Commission Expires
May 19, 2010
State of Utah
(Signature of NOTARY PUBLIC)

**FILL IN THIS SECTION ONLY IF YOU ARE A LICENSEE OR AGENT APPROVING A MANAGER APPLICATION
Licensee or Agent Approval of Manager**

25. I, (Print Licensee/Agent's Name): _____
Hereby authorize the applicant to act as manager for the named liquor license.
State of _____ County of _____
The foregoing instrument was acknowledged before me this
X _____ day of _____, _____
(Signature of LICENSEE/AGENT) Day Month Year
My commission expires on: _____
Day Month Year (Signature of NOTARY PUBLIC)

Attachment to AZ Questionnaire
Rumbi AZ - Gateway Crossing, LLC
9915 West McDowell Road, Avondale, AZ 85323
October 3, 2006

Bradley T. Davis

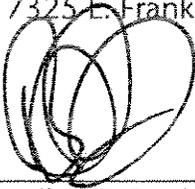
Item 20

I am a manager of the controlling member of Rumbi Management Services, LLC and several of its subsidiaries hold Series 12 alcoholic beverage licenses as follows:

Rumbi AZ - Dana Park, LLC ~ AZ DLLC License #12076733
1902 S. Val Vista Dr., Ste. 101, Mesa, AZ 85201

Rumbi AZ - Arcadia Commons, LLC ~ AZ DLLC License #12076732
4280 E. Indian School Rd., Ste 101, Phoenix, AZ 85018

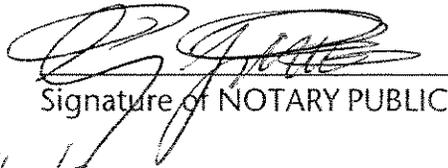
Rumbi AZ - Promenade, LLC ~ AZ DLLC License #12076734
7325 E. Frank Lloyd Wright Blvd., Ste. 104, Scottsdale, AZ 85260



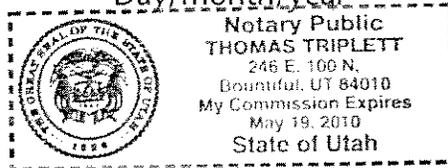
Bradley T. Davis

10.4.06
Date

State of Utah, County of Salt Lake
The foregoing instrument was acknowledged before me this
4 day of October, 2006.


Signature of NOTARY PUBLIC

My commission expires on 19/May/2010
Day/month/year



'06 OCT 18 Ltr. Dept PM 2:50

OPERATING AGREEMENT
OF
RUMBI AZ—GATEWAY CROSSING, LLC

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**Operating Agreement
of
Rumbi AZ—Gateway Crossing, LLC**

A Utah Limited Liability Company

This Operating Agreement of Rumbi AZ—Gateway Crossing, LLC, effective as of the 16th day of May 2006, is executed and agreed to by MWE RUMBI, LLC, a Utah limited liability company, and RUMBI STORES, LLC, a Utah limited liability company, as the initial Members of the Company.

ARTICLE 1 - DEFINITIONS

1.1. Scope. For purposes of this Agreement, unless the language or context clearly indicates that a different meaning is intended, capitalized terms have the meanings specified in this article.

1.2. Defined Terms.

1.2.1. “*Act*” means the Utah Revised Limited Liability Company Act and any successor statute, as amended from time to time.

1.2.2. “*Agreement*” means this Operating Agreement, including any amendments, supplements, or modifications thereto.

1.2.3. “*Articles*” means the articles of organization filed with the Division of Corporations and Commercial Code to organize the Company as a limited liability company, including any amendments.

1.2.4. “*Available Funds*” means the Company=s gross cash receipts from operations and cash reserves held from prior periods, less the sum of: (a) payments of principal, interest, charges, and fees pertaining to the Company=s indebtedness; (b) expenditures incurred incident to the usual conduct of the Company=s business; (c) Tax Distributions; and (d) \$10,000 to be retained by the Company for continued operations.

1.2.5. “*Capital Account*” of a Member means the capital account maintained for the Member in accordance with Article 3.6.

1.2.6. “*Code*” means the Internal Revenue Code of 1986, as amended.

right to vote on or otherwise participate in any matter as a Member hereunder other than the right to receive distributions as set forth in Article 6.1.5.

1.2.14. "**MWE Control Event**" means the occurrence, after the Store operated by the Company has been in operation for one year, of six consecutive months during which the Store fails to generate net profits. For purposes of this definition, the determination of net profits of the Store shall be made on a monthly basis.

1.2.15. "**Payback Status**" shall have the meaning set forth in the Development Agreement.

1.2.16. "**Person**" means any individual, association, cooperative, corporation, trust, partnership, joint venture, limited liability company, or other legal entity.

1.2.17. "**Profit**" means, with respect to any given tax year, the Company's income for such tax year, as determined in accordance with accounting principles appropriate to the Company's method of accounting and consistently applied.

1.2.18. "**Regulations**" means proposed, temporary, or final regulations promulgated under the Code by the Department of the Treasury, as amended.

1.2.19. "**Store**" means the Rumbi Island Grill restaurant owned and operated (or to be owned and operated) by the Company.

1.2.20. "**Store Group**" shall have the meaning set forth in the Development Agreement.

1.2.21. "**Store LLC**" shall have the meaning set forth in the Development Agreement.

1.2.22. "**Tax Distributions**" shall have the meaning set forth in Article 4.5.

1.2.23. "**Transfer**" means, with respect to an Interest, a sale, pledge, encumbrance, lien, assignment, gift or any other disposition by a Member, whether voluntary, involuntary, or by operation of law.

1.2.24. "**Transferee**" means a Person who acquires a Membership Interest by Transfer from a Member or another Transferee and is not admitted as a Member in accordance with the Agreement. Notwithstanding anything herein to the contrary, a Transferee shall not have the rights of a Member set forth in Article 1.2.13, other than the right to receive distributions as set forth herein.

<u>Name</u>	<u>Address</u>	<u>Membership Interest</u>
MWE Rumbi, LLC	380 East Main Street Building B, 2 nd Floor Midway, Utah 84049	55%
Rumbi Stores, LLC	435 West Universal Circle Sandy, Utah 84070	45%

3.3. Subsequent Capital Contributions. No Member shall be obligated to make any capital contributions to the Company other than those set forth in the Development Agreement, except as the Members may agree by unanimous consent.

3.4. Failure to Contribute Required Capital. If a Member fails to timely provide a required capital contribution, the Company may take such action as it deems necessary, including instituting a court proceeding to obtain payment, canceling the delinquent Member's Interest, or exercising any other right or remedy available at law or equity.

3.5. Return of Capital Contributions. Except as expressly provided herein, each Member agrees not to withdraw as a Member of the Company and no Member shall be entitled to the return of any part of such Member's capital contributions or to be paid interest in respect to either such Member's Capital Account or such Member's capital contributions.

3.6. Capital Accounts of the Members. A separate Capital Account shall be maintained for each Member in accordance with the Code and the Regulations thereunder. Capital Accounts will be:

(a) Increased by: (i) the amount of any money the Member contributes to the Company's capital; (ii) the fair market value of any property the Member contributes to the Company's capital, net of any liabilities the Company assumes or to which the property is subject; and (iii) the Member's share of Profits and any separately stated items of income or gain; and;

(b) Decreased by: (i) the amount of any money the Company distributes to the Member; (ii) the fair market value of any property the Company distributes to the Member, net of any liabilities the Member assumes or to which the property is subject; and (iii) the Member's share of Losses and any separately stated items of deduction or loss.

3.7. Revaluation of Capital Accounts Upon Occurrence of Certain Events. In accordance with the provisions of the Regulations, if, after the initial capital is contributed

necessary to eliminate any Capital Account deficit. This article is intended to constitute a “qualified income offset” within the meaning Section 1.704-1(b)(2)(ii)(d) of the Regulations.

4.3.2. Minimum Gain Chargeback. Notwithstanding anything to the contrary contained herein, if there is a net decrease in Company “minimum gain,” as defined in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations, during a taxable year, each Member shall be specially allocated, before any other allocation, items of income and gain for such taxable year (and, if necessary, subsequent years) in proportion to each Member’s share of the net decrease in Company “minimum gain.” This article is intended to comply with the “minimum gain chargeback” provisions of Section 1.704-(2)(f) of the Regulations.

4.3.3. Section 704(c) Allocation. Notwithstanding anything to the contrary contained herein, items of income, gain, loss, and deduction with respect to property contributed to the Company’s capital will be allocated between the Members so as to take into account any variation between book value and basis, to the extent and in the manner prescribed by Section 704(c) of the Code and related Regulations.

4.3.4. Member Nonrecourse Deductions. Items of the Company’s loss, deductions, and expenditures described in Section 705(a)(2)(B) of the Code that are attributable to the Company’s nonrecourse debt and are characterized as Member nonrecourse deductions under Section 1.704-2(i) of the Regulations will be allocated to the Members’ Capital Accounts in accordance with Section 1.704-2(i) of the Regulations.

4.3.5. Adjustments for Special Allocations. If the special allocations result in Capital Account balances that are different from the Capital Account balances the Members would have had if the special allocations were not required, the Company will allocate other items of income, gain, loss, and deduction in any manner it considers appropriate to offset the effects of the special allocations on the Members’ Capital Account balances. Any offsetting allocation required by this article is subject to and must be consistent with the special allocations.

4.4. Tax Allocations. For federal income tax purposes, unless the Code or Regulations require otherwise, each item of the Company’s income, gain, loss, or deduction will be allocated to the Members in proportion to their allocations of the Company’s Profit or Loss.

4.5. Tax Distributions. The Company will distribute to the Members, within 90 days after the end of each calendar year (such distributions referred to collectively as the “*Tax Distributions*”), an aggregate amount equal to (a) the highest federal individual income tax rate

5.2.1.2. Special Meetings. A special meeting of the Members may be called at any time by any Manager or any Member(s) holding at least a 25% Interest in the Company.

5.2.1.3. Notice of Meetings. Notice of any meeting of the Members shall be given by the Company no fewer than 3 days and no more than 60 days prior to the date of the meeting. Notices shall be delivered in the manner set forth in Article 12.6 and shall specify the purpose or purposes for which the meeting is called if it is a special meeting. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

5.2.1.4. Quorum. Members whose aggregate Membership Interest exceeds 75% will constitute a quorum at a meeting of Members. No action may be taken at any meeting in the absence of a quorum.

5.2.1.5. Telephonic Meetings. The Members may participate in and act at any meeting of Members through the use of a conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the Person or Persons so participating.

5.2.1.6. Action by Members Without Meeting. Except as expressly provided otherwise, any action required to be taken at a meeting of the Members or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by Members having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members were present and voting. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given in writing to those Members who were entitled to vote but did not consent in writing.

5.2.2. Action by Members.

5.2.2.1. Voting Rights. Except as set forth in Article 5.2.2.2, each Member shall have a number of votes equal to such Member's Membership Interest in the Company. In the case of a Membership Interest held by more than one Member as joint tenants or tenants in common, the vote cast with respect to such Membership Interest shall be

5.3. Resignation of a Member. A Member may resign from the Company as a Member by giving written notice to the Company and the other Members at least 60 days prior to the effective date of the resignation; however, except as expressly provided herein, a withdrawing Member is not entitled to a return of his or her capital contribution and acquires the status of a Transferee.

5.4. Information Rights of Members. In addition to the other rights specifically set forth in this Agreement, each Member is entitled to all of the information to which Members are entitled under the Act, under the circumstances and subject to the conditions stated therein.

5.5. Confidentiality Agreement. The Members acknowledge that from time to time they may receive information from or regarding the Company of a confidential nature, the release of which may be damaging to the Company or Persons with which it does business. Each Member shall hold in strict confidence any information it receives regarding the Company that is confidential, whether marked or identified confidential or implicitly understood to be confidential by the circumstances, and may not disclose it to any Person other than another Member, except for disclosures: (a) compelled by law (but the Member must notify the other Members promptly of any request for that information, before disclosing it if practicable); (b) to advisers or representatives of the Member or Persons to which that Member's Membership Interest may be transferred as permitted by this Agreement, but only if the recipients have agreed to be bound by the provisions of this Article 5.5; or (c) of information that the Member has also received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Members acknowledge that breach of the provisions of this Article 5.5 may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this Article 5.5 may be enforced by specific performance without posting bond.

ARTICLE 6 - DISPOSITION AND CREATION OF MEMBERSHIP INTERESTS

6.1. Restrictions on Transfer of Membership Interests. A Member may Transfer his or her Membership Interest to another Person subject to the following restrictions:

partners or former partners in accordance with partnership interests, (b) a limited liability company to its members or former members in accordance with their interest in the limited liability company, (c) a corporation or other entity to its equity holders in accordance with such equity interests, (d) a Member to the Member's spouse, lineal descendant, or to one or more trusts, corporations, partnerships, or limited liability companies for the exclusive benefit of such Member or those members of such holder's family specified in this clause, or (e) a trust to a beneficiary of such trust. Such a Transferee, however, shall not be admitted as a substitute Member without first meeting the requirements of Article 6.1.4.

6.1.2. Mandatory Conditions to Transfer. The Company must be reasonably satisfied that all of the following conditions are met before a Member can effect any Transfer, regardless of whether the right of first refusal set forth in Article 6.1.1 applies to such Transfer:

6.1.2.1. No Taxable Termination. The Transfer, alone or in combination with other Transfers, will not result in the Company's termination for federal income tax purposes, unless such Transfer has been consented to by Members holding an aggregate of more than 50% of the Membership Interests outstanding immediately prior to such Transfer;

6.1.2.2. No Violations of the Securities Laws. The Transfer is the subject of an effective registration under, or exempt from the registration requirements of, applicable state and federal securities laws; and

6.1.2.3. Information from Transferee. The Company receives from the Transferee the information and agreements reasonably required to permit it to file federal and state income tax returns and reports.

6.1.2.4. Bound by Agreement. The Transferee has agreed in writing to accept and to be bound by the provisions of this Agreement, regardless of whether such Transferee is admitted as a substitute Member hereunder.

6.1.3. Transferor's Membership Status. If a Member Transfers less than all of such Member's Membership Interest, the Member's rights with respect to the transferred Membership Interest, including the right to vote or otherwise participate in the Company's governance and the right to receive distributions, will terminate as of the effective date of the Transfer. If the Member Transfers all of such Member's Membership Interest, all of such Member's rights as a Member under this Agreement shall terminate upon such Transfer.

6.4. Redeeming Membership Interests. Outstanding Membership Interests may be redeemed by the Company from time to time on such terms and subject to such conditions as the Managers and the Member holding the applicable Membership Interest deem appropriate under the circumstances at such time.

ARTICLE 7 - MANAGEMENT OF THE COMPANY

7.1. Management of the Company. The Company will be managed by Managers. As of the date of this Agreement, the Company has two Managers. The Members from time to time may establish and change the number of Managers. The names and addresses of the initial Managers are:

<u>Name</u>	<u>Address</u>
Rumbi Management Services, LLC	435 West Universal Circle Sandy, Utah 84070
David Duffin	435 West Universal Circle Sandy, Utah 84070

7.2. Tenure of Managers. Managers shall serve for an indefinite period, except that: (a) a Manager may resign at any time by giving written notice to the Members at least 30 days prior to the effective date of the resignation; (b) a Manager who is a natural person shall cease to be a Manager upon his or her death or at such time as he or she is adjudicated incompetent; (c) a Manager who is a legal entity other than a natural person shall cease to be a Manager upon its dissolution; and (d) a Manager shall cease to be a Manager at such time as he or she files, or fails to successfully contest, a petition seeking liquidation, reorganization, arrangement, readjustment, protection, relief, or composition in any state or federal bankruptcy, insolvency, reorganization, or receivership proceeding.

7.3. Removal. A Manager may be removed at any time with or without cause upon the vote of Members whose aggregate Membership Interests exceed 75% of the outstanding Membership Interests of the Company; *provided, however,* that any or all of the Managers may be removed by MWE Rumbi, LLC at any time after a MWE Control Event.

7.6.2.2. Checks and Payments. All checks, drafts, and other orders for the payment of the Company's funds;

7.6.2.3. Mortgages and Promissory Notes. All promissory notes, mortgages, deeds of trust, security agreements and other similar documents;

7.6.2.4. Certificates, Articles, and Reports. All articles, certificates, and reports pertaining to the Company's organization, qualification, and dissolution;

7.6.2.5. Tax Returns and Reports. All tax returns and reports; and

7.6.2.6. Miscellaneous. All other instruments of any kind or character relating to the Company's affairs.

7.6.3. Required Consent of Members. Notwithstanding anything to the contrary in this Agreement, including but not limited to Articles 7.6.1 and 7.6.2, without first obtaining the written consent of Members holding not less than 75% of the outstanding Membership Interests, the Managers may not:

7.6.3.1. Change Budgets and Plans. Approve or amend the budgets and business plans of the Company;

7.6.3.2. Changes to Business or Offerings. Materially alter the business of the Company or the goods and services offered by the Company or engage in a new line of business;

7.6.3.3. Material Contracts. Cause the Company to enter into any contract or other obligation outside the ordinary course of the Company's business, or cause the Company to terminate or enter into any amendment of any material contract, including without limitation the License Agreement (the "*License Agreement*") entered into between the Company and Rumbi Licensing, LLC and the Management Agreement ("*Management Agreement*") entered into between the Company and Rumbi Management Services, LLC;

7.6.3.4. Sale or Acquisition. (a) Sell, lease, exchange, mortgage, pledge, encumber or dispose of all or substantially all of the Company's assets, including without limitation taking any action affecting any real or personal property of the Company, or (b) a merge or convert into another entity or a reorganization, consolidation or similar event;

7.6.3.5. Significant Debt. Incur any loan, debt or obligation of the Company in excess of Ten Thousand Dollars (\$10,000.00) not otherwise included and approved by the applicable annual budget;

7.6.3.22. Number of Managers. Change the number of Managers of the Company.

7.7. Manner of Acting. The Managers may act with respect to any matter within the scope of their authority at a meeting of Managers or pursuant to formal or informal procedures adopted at a meeting of Managers. Procedures that may be adopted at a meeting of Managers include, without limitation, the establishment of dates and times for regular meetings, procedures pursuant to which the Managers may approve a matter without a meeting, and the delegation of duties and responsibilities with respect to which the delegate may act without approval or ratification by the other Managers. At any time that there is only one Person acting as Manager of the Company, such Person may conduct the business of the Company through such procedures and in such a manner as he or she determines to be appropriate under the circumstances.

7.7.1. Special Meetings. Special meetings may be called by any Manager at any time.

7.7.2. Written Consent. Except as expressly provided otherwise, any action required to be taken at a meeting of the Managers or any other action which may be taken at a meeting of the Managers, may be taken without a meeting if the consent in writing, setting forth the action taken, is signed by Managers having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Managers were present and voting. Prompt notice of the taking of the action without a meeting by less than unanimous consent of the Managers shall be given in writing to those Managers who were entitled to vote but did not consent in writing.

7.7.3. Telephonic Meetings. The Managers may participate in and act at any meeting of Managers through the use of a conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of any Manager so participating.

7.7.4. Quorum. A majority of Managers present at any meeting of Managers will constitute a quorum. No action may be taken at any meeting of Managers in the absence of a quorum.

Company as set forth herein and that the Company would accept if brought to its attention. A Manager must disclose to the Company any such business opportunity of which the Manager becomes aware. If the Company declines to accept the opportunity, the Manager may pursue it for the Manager's own account. If the Manager fails to disclose the opportunity, the Manager will account to the Company for any income the Manager derives from the opportunity and will indemnify the Company for any loss the Company incurs as a result of the failure to disclose.

7.9.4. Self-Dealing. A Manager may enter into a business transaction with the Company if the terms of the transaction are no less favorable to the Company than those of a similar transaction with an independent third party. Approval or ratification by the Members having no interest in the transaction constitutes conclusive evidence that the terms satisfy the foregoing condition.

ARTICLE 8 - INDEMNIFICATION

The Company shall indemnify each Member or Manager for all expenses, losses, liabilities, and damages that such Person actually and reasonably incurs in connection with (a) the defense or settlement of any action arising out of or relating to the conduct of the Company's activities as long as such Person acted in good faith and in a manner which he or she reasonably believed to be in the best interest of the Company, and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was illegal; or (b) the protection of the Company's property. However, the Company shall not indemnify any Person in any action in which such Person is adjudged to be liable for breach of a fiduciary duty owed to the Company or the Members under the Act or this Agreement or for liabilities that arise from such Person's gross negligence or willful misconduct.

ARTICLE 9 - BOOKS, RECORDS, REPORTS AND BANK ACCOUNTS

9.1. Maintenance of Books and Records. The Company shall keep books and records of accounts at its designated office set forth in the Articles. In addition, the Company shall maintain the following at its designated office: (a) a current list in alphabetical order of the full name and last known business address of each Member; (b) a copy of the stamped Articles and

Tax Matters Partner for reasonable expenses properly incurred while acting within the scope of the Tax Matters Partner=s authority.

ARTICLE 10 - DISSOLUTION, LIQUIDATION AND TERMINATION

10.1. Events of Dissolution. The Company shall be dissolved and shall commence winding up its affairs upon the first to occur of the following: (a) the time fixed in the Articles as the expiration of the term of the Company; (b) the consent of all of the Members in writing; (c) the consent of MWE Rumbi, LLC, if a MWE Control Event has occurred; (d) any event which makes it unlawful or impossible to carry on the Company=s business; or (e) at such time as there is no longer at least one Member of the Company.

10.2. Exclusivity of Events. Unless specifically referred to in Article 10.1, no event, including an event of dissolution prescribed by the Act, will result in the Company=s dissolution.

10.3. Winding Up. Upon dissolution, the affairs of the Company shall be wound up, as required by the Act, in the following manner:

10.3.1. Appointment of Liquidator. Upon the Company=s dissolution, the Managers will appoint a liquidator, who may but need not be a Member. The liquidator will wind up and liquidate the Company in an orderly, prudent, and expeditious manner in accordance with the following provisions of this article.

10.3.2. Final Accounting. The liquidator will make proper accountings beginning with the date on which the event of dissolution occurred to the date on which the Company is finally and completely liquidated.

10.3.3. Duties and Authority of Liquidator. The liquidator will make adequate provision for the discharge of all of the Company=s debts, obligations, and liabilities (including liabilities to Members who are creditors). The liquidator may sell, encumber, or retain for distribution in kind any of the Company=s assets. Any gain or loss recognized on the sale of assets will be allocated to the Members= Capital Accounts in accordance with the provisions of Article 4.1. With respect to any asset the liquidator determines to retain for distribution in kind, the liquidator will allocate to the Members= Capital Accounts the amount of gain or loss that would have been recognized had the asset been sold at its fair market value.

11.2.2. The Member has both the knowledge and experience in financial matters sufficient to evaluate the purchase of the Interest and is able to bear the economic risk of the purchase.

11.2.3. No federal or state agency has made any finding or determination as to the fairness for public investment, nor any recommendation or endorsement of, an investment in Membership Interest.

11.2.4. There are restrictions on the transferability on each Membership Interest; there will be a limited market for the individual Membership Interests; and, accordingly, it may not be possible for the Member to liquidate readily, or at all, the Member's investment in the Company in case of an emergency or otherwise.

11.2.5. The Membership Interests have not been registered under the Securities Act of 1933 (the "*Securities Act*") or applicable state securities laws. It is the intent of the Company to operate its business so as not to require any such registration. This may limit significantly the transferability of such Interests.

11.2.6. The Member's Membership Interest has been acquired pursuant to an investment representation and shall not be sold, pledged, hypothecated, donated, or otherwise transferred, whether or not for consideration, except in compliance with the terms of this Agreement.

11.2.7. The Company does not file, and does not in the foreseeable future contemplate filing, periodic reports in accordance with the provisions of Article 13 or 15(d) of the Securities Exchange Act of 1934, and the Company has not agreed to register any of its securities for distribution in accordance with the provisions of the Securities Act or to take any actions respecting the obtaining of an exemption from registration for such securities or any transaction with respect thereto.

11.2.8. The Company was formed as a new venture for the purpose of operating the Store. As a start-up company, the Company is subject to all the risks inherent in the commencement of a new business. Since the Company has no operating history, there can be no assurance that the Company's business can be operated profitably, and it is only possible to estimate the funding necessary to commence operations. There can be no assurance that the application of the initial capital contributions or any future capital infusion to the Company will allow the Company to achieve its objectives and reach a profitable level of operations.

between the Articles and this Agreement, this Agreement will be considered to have been amended in the manner necessary to eliminate the inconsistencies.

12.3. Power of Attorney. Each Member appoints each Manager, with full power of substitution, as the Member's attorney-in-fact, to act in the Member's name and to execute and file (a) all certificates, applications, reports, and other instruments necessary to qualify or maintain the Company as a limited liability company in the states and foreign countries where the Company conducts its activities, (b) all instruments that effect or confirm changes or modifications of the Company or its status, including, without limitation, amendments to the Articles, and (c) all instruments of transfer necessary to effect the Company's dissolution and termination. The power of attorney granted by this article is irrevocable, coupled with an interest, will survive any incapacity of the Member, and shall be binding upon the Member's successors and assigns.

12.4. Nominees. Title to the Company's assets may be held in the name of the Company or any nominee (including any Member or Manager so acting), as the Company determines. The Company's agreement with any nominee may contain provisions indemnifying the nominee for costs or damages incurred as a result of the nominee's service to the Company.

12.5. Additional Instruments. Each Member will execute and deliver any document or statement necessary to give effect to the terms of this Agreement or to comply with any law, rule, or regulation governing the Company's formation and activities.

12.6. Form and Timing of Notice. All notices and demands required or permitted under this Agreement shall be in writing, as follows: (a) by actual delivery of the notice into the hands of the party entitled to receive it; (b) by mailing such notice by first class or registered or certified mail, in which case the notice shall be deemed to be given three days after the date of its mailing; or (c) by Federal Express or any other overnight carrier, in which case the notice shall be deemed to be given the day after it is sent. All notices to Members that concern this Agreement shall be addressed as provided in Article 3.2 or to such other address as may be provided by a Member to the Company and the other Members pursuant to this Article 12.6. All notices to the Company that concern this Agreement shall be sent to the Company at its principal place of business.

where the findings and decision of the arbitrator shall be binding upon all parties to such dispute.

All fees and costs (including reasonable attorneys' fees) incurred pursuant to the resolution of any dispute to which this article applies shall be allocated to the losing party.

12.14. Waiver of Rights to Partition. Each Member irrevocably waives any right that such Member may have to maintain any action for partition with respect to property contributed to or acquired by the Company.

12.15. Headings and Captions. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision.

12.16. Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the Person or context may require.

12.17. Designation of Successor upon Death of a Member. A Member who is an individual may designate in a separate written instrument, duly signed and acknowledged before a notary public, the Person or Persons to whom all or any part of his or her Membership Interest is to be transferred (subject to Article 6) at death. A copy of such instrument shall be delivered to the Company's designated office to be kept with the records required to be kept by the Company in Article 9 of this Agreement; however, the failure to deliver a copy of the instrument to the Company shall not invalidate an otherwise valid designation. Any designation made pursuant to this article shall be revocable at any time by the Member who made it unless otherwise provided in the instrument. A subsequent designation shall be deemed to revoke a prior, inconsistent one.

12.18. Disclosure and Waiver of Conflicts. In connection with the preparation of this Agreement, the Members acknowledge and agree that: (a) the attorney that prepared this Agreement ("*Attorney*") acted as legal counsel to the Company; (b) the Members have been advised by the Attorney that the interests of the Members are opposed to each other and are opposed to the interests of the Company and, accordingly, the Attorney's representation of the Company may not be in the best interests of the Members; and (c) each of the Members has been advised by the Attorney to retain separate legal counsel. Notwithstanding the foregoing, the Members (a) desire the Attorney to represent the Company; (b) acknowledge that they have been advised to retain separate counsel and have waived their right to do so; and (c) jointly and

*06 OCT 18 Ltr. Dept PM 2 51

IN WITNESS WHEREOF, the Members have executed this Agreement as of the date and year first set forth above.

MWE RUMBI, LLC

By: 

David Duffin, Manager

RUMBI STORES, LLC

By: RUMBI HOLDINGS, LLC, its Manager

By: 

Brad Davis, Manager

By: 

David Duffin, Manager

10/16/2006

Arizona Corporation Commission
State of Arizona Public Access System

5:54 AM

Corporate Status Inquiry

File Number: R-1289960-2

Corp. Name: RUMBLAZ-GATEWAY CROSSING, LLC

This Limited Liability Company is in Good Standing

This information is provided as a courtesy and does not constitute legally binding information regarding the status of the entity listed above. To obtain an official Certificate indicating that the entity is in good standing with the Arizona Corporation Commission, follow the instructions below.

SHOPPING CENTER LEASE AGREEMENT

Name of Shopping Center: Gateway Crossing Shopping Center

Location: Southwest corner of 99th Avenue and McDowell Road, Avondale, Arizona

THIS LEASE made this 6th day of April, 2006 ("Effective Date") by the parties and upon the following terms and conditions.

WITNESSETH:

ARTICLE I

FUNDAMENTAL LEASE PROVISIONS

The following fundamental lease provisions shall be defined as follows:

1.01 Landlord. Raintree Pad 2, LLC, an Arizona limited liability company

1.02 Tenant. Rumbi AZ - Gateway Crossing, LLC, a Utah limited liability company

1.03 Tenant's Trade Name. Rumbi Island Grill (Exhibit "B")

1.04 Address of Premises. 9915 West McDowell Road, Avondale, Arizona, 85323; and identified on the general site plan attached hereto as Exhibit "A" as the north end cap of Shops B.

1.05 Initial Lease Term. Begins on Effective Date and ends on that date (herein referred to as the Termination Date) which is ten (10) years after the first day of the first full calendar month after the Rent Commencement Date. Any reference herein to the term of this Lease shall mean the Initial Lease Term and any properly exercised Renewal Term(s).

Renewal Terms. Two (2), five (5)-year Options.

1.06 Rent Commencement Date. Earlier of one hundred twenty (120) days after the Date of Delivery of the Premises to Tenant (see 1.06.1) or the date Tenant opens for business at the Premises.

1.06.1 Date of Delivery. The Date of Delivery shall be the date of substantial completion of the Landlord's Work and turnover of the Premises by Landlord to Tenant, and is expected to be on or about July 1, 2006.

1.07 Expiration of Initial Term. November 30, 2016 (the "Termination Date").

1.08 Lease Year. "Lease Year" shall mean a period of twelve (12) consecutive full calendar months, except that the first Lease Year shall commence on the Effective Date and end on that date which is twelve months after the last day of the calendar month in which the Rent Commencement Date falls; each succeeding Lease Year shall commence upon the "Anniversary Date" of the first day of the first calendar month occurring after the Rent Commencement Date.

1.09 Square Feet. Approximately 2,600 gross square feet.

1.10 Minimum Annual Rent; Minimum Monthly Rent; Advance Rent. Minimum Annual Rent shall be \$93,600.00 for Lease years one (1) through five (5). Minimum Monthly Rent for Lease years one (1) through five (5) shall be \$7,800.00. On every fifth (5th) anniversary of the Rent Commencement Date during the Initial Lease Term and during the Renewal Terms, the Minimum Annual Rent and Minimum Monthly Rent shall increase by twelve percent (12%). Therefore, during Lease Years one (1) through five (5) the rent per gross square foot per year of the Premises shall be \$36.00 (which is a Minimum Monthly Rent of \$7,800.00); during Lease Years six (6) through ten (10) the rent per gross square foot per year of the Premises shall be \$40.32 (which is a Minimum Monthly Rent of \$8,736.00); during Lease Years eleven (11) through fifteen (15) (the first Renewal Term) the Rent per gross square foot per year of the Premises shall be \$45.16 (which is a Minimum Monthly Rent of \$9,784.67); and during Lease Years sixteen (16) through twenty (20) (the second Renewal Term) the rent per gross square foot per year of the Premises shall be \$50.58 (which is a Minimum Monthly Rent of \$10,959.00). Advance Rent shall be equal to the Minimum Monthly Rent due for the first month of the Initial Lease Term, or \$7,800.00, and shall be paid by Tenant to Landlord on the Execution Date of this Lease.

1.11 Percentage Rent. None.

1.12 Common Area Charge. Current estimate of \$975.00 per month (or \$4.50 per gross square foot per year) during first Lease Year, however this amount may adjust upon the completion of the subject building, as well as annual adjustments. (Article X).

1.13 Water Charge. Tenant's responsibility (Section 6.02).

1.14 Taxes. See Section 6.01.

1.15 Grand Opening Charge. \$0 (Article XXII).

1.16 Promotion Charge. \$0.

1.17 Security Deposit. \$0.

to Island's Fine Burgers and Drinks, a prospective tenant on Pad 1 of the Shopping Center.

1.21 Guarantor. Rumbi Holdings, LLC, a _____ limited liability company.

1.22 Landlord's Work. The work to be completed by Landlord as set forth in Exhibit "C" attached hereto and by this referenced included herein.

1.23 Tenant's Work. The work to be completed by Tenant as set forth on said Exhibit "C."

1.24 [INTENTIONALLY DELETED].

**ARTICLE II
EXHIBITS**

The following drawings and special provisions are attached hereto as exhibits and made a part of this Lease.

EXHIBIT "A" - General site plan of an integrated retail shopping center on real property located in the City, County and State described in Exhibit "B" and more particularly shown on Exhibit "A", hereinafter referred to as the "Shopping Center." Said site plan shows, among other things, the principal improvements which comprise the Shopping Center.

EXHIBIT "B" -- Description of the Premises (as defined below) authorized use and Tenant's Trade name.

EXHIBIT "C" -- Description of work to be performed by Landlord and by Tenant in or on the Premises.

EXHIBIT "D" -- Notice of Owner's Nonliability for Lien.

EXHIBIT "E" -- Guarantee of Lease.

EXHIBIT "F" -- Tenant's Certificate.

EXHIBIT "G" -- Agency Disclosure.

**ARTICLE III
GRANT AND TERM**

3.01 Grant. The Landlord hereby leases and demises unto the Tenant and the Tenant hereby leases and takes from the Landlord for the term, at the rental and upon the covenants and conditions hereinafter set forth, the commercial space referred to herein as the "Premises," and described on Exhibit "B" attached hereto and made a part hereof.

Commencement Date is a day other than the first day of a calendar month, then Tenant shall pay, on the Rent Commencement Date, a pro rata portion of the Minimum Annual Rent prorated on a per diem basis to the last day of such month.

4.02 Percentage Rent. [INTENTIONALLY OMITTED.]

4.03 Gross Receipts Defined. [INTENTIONALLY OMITTED.]

4.04 Tenant's Records. [INTENTIONALLY OMITTED.]

4.05 Reports by Tenant. [INTENTIONALLY OMITTED.]

4.06 Right to Examine Books. [INTENTIONALLY OMITTED.]

4.07 Audit. [INTENTIONALLY OMITTED.]

4.08 Additional Rent. The Tenant shall pay as "Additional Rent" all sums of money or charges other than Minimum Annual Rent that are required to be paid by Tenant under this Lease, whether or not the same be designated "Additional Rent." If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as Additional Rent with the next installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord. Any reference herein to "Rent" shall mean the Minimum Monthly Rent (Minimum Annual Rent and Advance Rent, as applicable) and the Additional Rent.

4.09 Past Due Rent and Additional Rent. If Tenant shall fail to pay, within ten (10) days after the same is due and payable, any Minimum Annual Rent or Additional Rent, or amounts or charges imposed under any Article of this Lease, Landlord may impose, in addition to the unpaid amounts, a late charge penalty equal to ten percent (10%) of the unpaid amount.

4.10 No Rental Adjustment for Square Footage Deviations. Any statement of square footage set forth in this Lease, or that may have been used in calculating Minimum Annual Rent or Additional Rent, is an approximation which Landlord and Tenant agree is reasonable and the rental amounts set forth in this Lease, even if based upon such measurements, are not subject to revision even if the actual square footage is more or less than such measurements.

4.11 Consumer Price Index Increase to Minimum Annual Rent. [INTENTIONALLY DELETED].

ARTICLE V USE OF PREMISES . COMPLIANCE WITH LAWS AND ORDINANCES

5.01 General. The Tenant shall use the Premises solely for the purposes and under the trade name specified in Exhibit "B" attached hereto. The Tenant shall not use or permit the Premises to be used for any other purpose or purposes or under any other trade name whatsoever

(a) Keep the Premises open for business to the general public daily (Sundays and national holidays excepted, provided, however, the Premises may remain open on Sundays and/or national holidays if Tenant so elects and if such opening shall not be in violation of applicable law) at the times set forth in the following Subparagraph (b);

(b) Open the Premises for business to the general public, no later than 11:30 a.m. and continuously remain open for business throughout the day until at least 5:00 p.m. Monday through Saturday; and, Sunday, if customary in the locale of the Premises and not prohibited by local or state laws;

(c) Keep the display windows, exterior signs and exterior advertising displays of the Premises adequately illuminated continuously from dusk to 9:00 p.m.;

(d) Not install or cause to be installed in, or about the Premises any heating, cooling or air-conditioning equipment or any other such type of equipment, without first securing the prior written consent or approval of Landlord, which shall not be unreasonably withheld, conditioned or delayed;

(e) Use for non-selling purposes only such space in the Premises as is required for Tenant's business therein, no space is to be used to serve the business of Tenant at other locations;

(f) Permit access to the Premises to Landlord at all reasonable times for inspection and cleaning and for such repairs, alterations, additions, installations and removals, including among others, pipes, wires and other apparatus, as Landlord may deem proper or useful for serving the Premises, the building of which the Premises is a part, or the Shopping Center, and for one hundred twenty (120) days prior to the termination of this Lease, permit Landlord reasonable access to the Premises for exhibiting the same to prospective tenants and to place "for lease" signs in window in the Premises;

(g) Warehouse, store or stock in the Premises such goods and merchandise as are reasonably required for sale at, in or from the Premises;

(h) Reserved;

(i) Include and set forth, Tenant's Shopping Center address and name of the Shopping Center (if commonly known by that name) and logo if one is designated in all print advertising done by Tenant by newspaper, radio, television, circulars or other media;

(j) Keep the Premises open for such other hours and comply with such other rules and regulations as the Landlord shall reasonably require is in the best interest of the Shopping Center, provided that such rules and regulations do not materially adversely alter Tenant's rights or obligations under this Lease;

ARTICLE VI TAXES AND UTILITY EXPENSES

6.01 Payment of Real Property Taxes. In addition to all rent and other sums payable hereunder, Tenant shall pay Landlord that portion of all real estate taxes and assessments levied against the tax parcel on which the Premises are located and also all costs and fees (including attorney's fees) incurred by Landlord should Landlord contest any such taxes (all of which shall be included in the Common Area Expenses paid by all tenants, including Tenant's Pro Rata Share), equal to the product obtained by multiplying such real property taxes by a fraction, the numerator which shall be the gross square footage of the Premises set forth in Paragraph 1.09 and the denominator which shall be the gross floor area of the building on such tax parcel in which the Premises are located ("Tenant's Pro Rata Share"). The Tenant shall also pay such portion of any tax on the Landlord's right to receive, or the receipt of, rent or income from the Premises or against Landlord's business of leasing the Premises (including, but not limited to, any excise, sales, use or transaction privilege tax imposed on account of amounts payable under this Lease or the receipt thereof by Landlord). It is not intended, however, that the Tenant shall be required to pay any taxes to Landlord which are presently denominated as income or franchise taxes. All of the real estate taxes, assessments, taxes in lieu of real estate taxes, costs and fees as used above are hereinafter collectively referred to as "Real Property Taxes." For the purposes hereof, the term "gross floor area" shall mean the number of gross square feet of total building area on all levels in the requested tax parcel (as initially constructed or as the same may at any time thereafter be enlarged or reduced) and measured in all cases to the exterior surface of exterior walls or to the exterior line of the Tenant's Premises and to the center line of joint partitions and party walls, but excluding any floor space in the common areas and facilities and excluding the building roofs. In the first Lease Year, if such year does not begin on January 1 or in the event the term of this Lease expires on a date other than December 31, the Tenant shall pay to Landlord its share of said Real Property Taxes on a pro rata basis. Tenant's obligation for the final Lease Year shall survive the expiration of the term hereof. Tenant shall pay such taxes in monthly installments on the first day of each month and, in the event such tax cannot be ascertained for such month, the amount payable by Tenant shall be computed on the basis of the amount of the annual installment of the Real Property Taxes for the preceding taxable year. Tenant's portion of the Real Property Taxes as defined in this Section shall be billed and due with the Common Area Expenses as outlined in Paragraph 10.03 and 10.04.

6.02 Utility Expenses. Tenant shall pay all impact fees and all other fees, costs and expenses associated with utilities furnished to the Premises, the improvements, or any occupants thereof during the term of this Lease. If and to the extent that any utility and/or impact fees and/or other fees, costs or expenses are not separately metered, Landlord may allocate to Tenant a portion of all such fees, costs and expenses of utilities furnished to tenants in the Shopping Center, and Tenant agrees that Landlord's allocation is conclusive. If Landlord elects to separately meter a utility service after Tenant is open and operating, Landlord shall pay for all expenses associated with installation of such new meter(s).

6.03 Personal Property Taxes. Tenant shall pay any and all taxes on any personal property owned by Tenant or located in, on, or about the Premises.

ARTICLE IX COVENANT AGAINST LIENS

9.01 Liens. Tenant shall not suffer or permit any liens to be enforced against the fee simple estate of Landlord or Landlord's amortized interest or against Tenant's leasehold interest therein by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises, or any part thereof, through or under Tenant, and Tenant agrees to indemnify Landlord against such liens. If any such lien shall at any time be filed, the Tenant shall, within thirty (30) days after notice to Tenant of the filing thereof, cause the same to be discharged of record; provided, however, that Tenant shall have the right to contest the amount or validity, in whole or in part, of any such lien by appropriate proceedings prosecuted with due diligence if Tenant first provides Landlord with a bond or other security satisfactory to Landlord adequately securing Landlord against such lien or liens. Notwithstanding anything in this Lease to the contrary, if any lien claimed by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part thereof, shall not have been discharged of record or otherwise fully satisfied within one (1) year after the filing of same, Tenant shall either obtain title insurance in the amount of the lien or liens for the benefit of Landlord's property indemnifying and protecting Landlord against such liens, or provide Landlord with other security or bond, reasonably satisfactory to it, adequately securing Landlord against such lien or liens.

9.02 Limitations. Nothing in this Lease shall be deemed to be, or construed in any way to constitute, the consent or request of Landlord, express or implied, by inference or otherwise, to any person, firm or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to the leased land or any part thereof, nor as giving Tenant any right, power or authority to contract or permit the rendering of any services or the furnishing of any materials, which might in any way give rise to the right to file any lien against Landlord's interest in the Premises. Landlord shall have the right to post and keep posted at all reasonable times on the Premises any notices which Landlord deems advisable to post for the protection of Landlord and the Premises from any such lien.

ARTICLE X COMMON AREAS

10.01 Definition of Common Areas. The term "Common Areas" refers to all areas within the exterior boundaries of the Shopping Center which are now or hereafter made available for general use, convenience and benefit of Landlord and other persons entitled to occupy floor area in the Shopping Center, including, without limiting the generality of the foregoing, automobile parking areas, driveways, sidewalks, open and enclosed courts and malls, landscaped and painted areas.

10.02 Maintenance. Tenant and its employees and invitees are, except as otherwise specifically provided in this Lease, authorized, empowered and privileged to use the Common Areas in common with other persons during the term of this Lease. Landlord agrees to maintain and operate or cause to be maintained and operated (except as hereinafter provided with reference to cost of maintenance), said Common Areas at all times, for the benefit and use of the

be Tenant's pro rata share of such Common Area expenses. Landlord may adjust the estimated monthly charge at the end of any calendar year on the basis of Landlord's experience and reasonably anticipated costs.

(b) Within ninety (90) days following the end of each calendar year, Landlord shall furnish Tenant a statement covering the calendar year just expired, certified as correct by an authorized representative of Landlord, showing the total operating cost, the amount of Tenant's pro rata share of such Common Area expenses for such calendar year and the payments made by Tenant with respect to such period as set forth in Subparagraph (a). If Tenant's pro rata share of such Common Area expenses exceeds Tenant's payments so made, Tenant shall pay Landlord the deficiency within ten (10) days after receipt of such statement. If said payments exceed Tenant's pro rata share of such Common Area expenses Tenant shall be entitled to offset the excess against payments next thereafter to become due Landlord as set forth in said Paragraph (a). Tenant's pro rata share of the total Common Area expenses for the previous calendar year shall be that portion of all of such expenses which is equal to the proportion thereof which is the number of gross square feet of floor area in the Premises set forth in Paragraph 1.09 bears to the total number of gross square feet of floor area of buildings in the entire Shopping Center. The term "floor area" as used herein is defined in Paragraph 6.01. There shall be an appropriate adjustment of Tenant's share of the Common Area expenses as of the commencement of rent and expiration of the term of this Lease.

10.05 Change of Common Area; Rules; CC&R's. Landlord reserves the right to change from time to time the dimensions and location of the Common Areas, as well as the dimensions, identity and type of any buildings in the Shopping Center provided that such changes do not materially adversely affect ingress/egress to and from, access to, or visibility of the Premises or Tenant's rights or obligations under this Lease. The Landlord shall also have the right to establish, and from time to time, change, alter and amend, and to enforce against the Tenant and the other users of said Common Areas such reasonable rules and regulations as may be deemed necessary or advisable for the proper and efficient operation for the maintenance of the Common Areas and to record against the title to the Shopping Center, including without limitation the Common Areas and the Premises, such covenants, conditions, restrictions and easements ("CC&R's") as Landlord shall deem necessary in connection with the development, operation and ownership of the Shopping Center.

10.06 Tenant's Use and Parking. Tenant, and its employees and customers (and contractors when duly authorized pursuant to the provisions of this Lease), shall have the non-exclusive right to use the Common Area as constituted from time to time and such use is to be in common with the Landlord, other tenants in the Shopping Center and other persons permitted by Landlord to use the same, and subject to such reasonable rules and regulations governing use as Landlord may from time to time prescribe, including the designation of specific areas within the Shopping Center or in reasonable proximity thereto in which automobiles owned by Tenant, its employees, subtenants, licensees and concessionaires shall be parked. In this regard, Tenant shall furnish to Landlord, upon Landlord's request, a complete list of license numbers of all automobiles operated by Tenant, its employees, subtenants, licensees or concessionaires. Tenant agrees that if any automobile or vehicles owned by Tenant or any other of its employees,

and/or declare the Tenant in default under this Lease. In such event said work shall be paid for by Tenant as Additional Rent promptly upon receipt of a bill therefor with back-up invoices. Upon any surrender of the Premises, the Tenant shall redeliver the Premises to the Landlord in good order, condition and state of repair, ordinary wear and tear excepted, and excepting such items of repair as may be the Landlord's obligation hereunder.

11.02 Landlord's Repairs. Subject to the foregoing provisions hereof the Landlord shall keep and maintain in good tenable condition and repair, the roof, exterior walls, pipes and conduits outside the Premises for the furnishing to the Premises of various utilities (except to the extent that the same are the obligation of the appropriate public utility company); provided, however, that Landlord shall not be required to make repairs necessitated by reason of the negligence of the Tenant or anyone claiming under the Tenant, or by reason of the failure of the Tenant to perform or observe any conditions or agreements in this Lease contained, or caused by alterations, additions, or improvements made by the Tenant or anyone claiming under the Tenant. Anything to the contrary notwithstanding contained in this Lease, Landlord shall not in any way be liable to the Tenant for failure to make repairs as herein specifically required of it unless the Tenant has previously notified the Landlord, in writing, of the need of such repairs and the Landlord has failed to commence and complete said repairs within a reasonable period of time following receipt of the Tenant's written notification. As used in this Article the expression "exterior walls" shall not be deemed to include store front or store fronts, plate glass, window cases or window frames, doors or door frames, security grilles or similar enclosures. It is understood and agreed that the Landlord shall be under no obligation to make any repairs, alterations, renewals, replacements or improvements to and upon the Premises of the mechanical equipment and HVAC exclusively serving the Premises at any time except as in this Lease expressly provided. Tenant shall also repair any damages in connection with any burglary or forcible entry into the Premises at the Tenant's sole expense.

11.03 Trash Pick-Up. All trash shall be contained within the Premises or in a container furnished by Tenant at Tenant's sole expense, in a location approved by Landlord. Tenant shall bear all cost of trash pick-ups and if Landlord elects to furnish the container, all cost of the container, as may be applicable to the Premises shall be included in the Common Area maintenance and mall charges. Tenant shall keep said Premises free from filth, danger of fire or any nuisance, and shall comply with all city ordinances, state laws and regulations applicable thereto, and protect and defend Landlord from all charges for such. Tenant shall be required to contract for trash removal with the contractor selected by Landlord, provided that the charges for such services do not exceed local industry standards.

ARTICLE XII ALTERATIONS

Other than non-mechanical alterations, non-electrical alterations and/or non-structural alterations costing less than twenty five thousand dollars (\$25,000.00), Tenant shall make no alterations to the Premises without the prior written consent of Landlord. Tenant shall provide to Landlord complete plans and specifications for all such alterations. Prior to determining whether to give its consent, Landlord shall have the right to require Tenant to provide Landlord with detailed plans and specifications of the proposed improvements. Landlord also shall have the

by fire or other risks included from time to time in what is commonly called extended coverage insurance (with vandalism and malicious mischief endorsements, boiler and machinery and all risks) and liability insurance (including without limitation any "umbrella policies"), equal to the product obtained by multiplying the cost of such insurance by a fraction, the numerator which shall be the floor area of the Premises as set forth in Paragraph 1.09 and the denominator which shall be the floor area of all buildings in the Shopping Center. Such payments required hereunder shall be made on the first day of each month and shall be based upon the last premium for such insurance. Any fractional month or partial Lease Year shall be prorated on a per diem basis. The term "floor area" as used herein is defined in Paragraph 6.01.

13.03 Other Insurance. Tenant also shall maintain all of the following types of insurance: (i) the amount of worker's compensation insurance required by the state in which the Shopping Center is located for the benefit of Tenant's employees; (ii) business interruption insurance in such amount as will reimburse Tenant for direct or indirect earnings attributable to all perils commonly insured against by prudent retail tenants or attributable to prevention of access to the Premises or Shopping Center as a result of such perils; (iii) in connection with any construction undertaken by Tenant, "All Physical Loss" Builder's Risk insurance covering Tenant, its contractor, all subcontractors and Landlord as named insureds, as their interests appear, in an amount equal to one hundred percent (100%) of the full replacement cost; and (iv) at Landlord's option, such other insurance coverage from time to time, which is in type and amount then reasonable, prudent and customary among owners and operators of similar shopping centers in the metropolitan area where the Shopping Center is located, or as may be required by Landlord's lender.

13.04 Indemnity and Hold Harmless. Except for Landlord's negligence and/or breach of express warranties, Tenant agrees that it will indemnify and hold harmless Landlord from and against all claims of whatsoever nature arising from any act, omission or negligence of any person or persons, firm or firms, corporation or corporations, in connection with Tenant's use or occupancy of the Premises, or arising from any accident, injury or damage to personal property during the term hereof in or about the Premises or arising from any act, injury or damage to personal property occurring outside of the Premises within the Shopping Center, or such acts, injuries or damages resulting or are claimed to have resulted from any act, omission or negligence on the part of Tenant, its licensees, agents or invitees, servants or employees. This indemnity and hold harmless shall include indemnity against all losses, claims, expenses, penalties, liens and liabilities including reasonable attorney's fees, incurred in or in connection with any such claim or proceeding brought thereon and in the defense thereof. Tenant agrees Landlord shall not be responsible to Tenant or to those claiming by, through or under Tenant, for any loss or damage occasioned by or to the acts, omissions or negligence of the occupants of the adjoining premises or any part of the Shopping Center, or for any loss or damage resulting to Tenant or those claiming by, through or under the Tenant or to its or their property from bursting, stopping, leaking or over-flowing of water, gas, sewer or stream pipes or any of its costs.

done by Landlord in originally constructing the Premises. Landlord shall notify Tenant of its election either to terminate or to rebuild not later than ninety (90) days after any such taking. If this Lease is not terminated, as hereinbefore provided, all of the terms hereof shall continue in effect, but the Minimum Rent, or a fair and just proportion thereof, according to the nature and extent of the damage to the Premises, shall be suspended or abated until restoration is completed and Tenant or Landlord shall, upon the completion by Landlord or Tenant of the restoration of the Premises as aforesaid, do all work required of Tenant to occupy the Premises including the restoration and replacement of all improvements, alterations, additions, fixtures, signs, trade equipment, furniture, furnishings and other installations necessary for Tenant's business or, if an Exhibit "C" is attached hereto, all items of Tenant's work as described in Exhibit "C", as the case may be.

15.03 Damages. All damages whatsoever awarded for such taking, whether for the whole or a part of the Premises, shall belong to and be the property of Landlord provided; however, that Tenant shall be entitled to any amounts specifically awarded to it for the taking of its trade furniture or fixtures and relocation expenses.

15.04 Proration of Rent. If this Lease is so terminated, all rent or other charges payable by Tenant shall be prorated to the date of termination.

ARTICLE XVI DAMAGE BY CASUALTY

16.01 Total or Partial Destruction. Tenant shall give immediate written notice to Landlord of any damage caused to the Premises by fire or other casualty. In the event that the Premises shall be damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and the Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its own cost and expense to rebuild and repair the Premises, to the extent of available insurance proceeds. In the event: (a) the building in which the Premises are located shall be destroyed or substantially damaged by a casualty not covered by Landlord's insurance, or (b) such building is destroyed or rendered untenable to an extent in excess of fifty percent (50%) of the floor area by casualty covered by Landlord's insurance, or (c) the holder of a mortgage, deed of trust or other lien on the Premises at the time of the casualty elects, pursuant to such mortgage, deed of trust or other lien, to require the use or part of Landlord's insurance proceeds to be applied to the satisfaction of all or part of the indebtedness secured by the mortgage, deed of trust, or other lien, then Landlord may elect to terminate this Lease. Landlord shall give written notice to Tenant of such an election within thirty (30) days after the occurrence of such casualty. If Landlord elects to rebuild and repair, Landlord shall proceed to do so with reasonable diligence and at its sole expense.

16.02 Extent of Landlord's Obligation. Landlord's obligation to rebuild and repair under this Article shall in any event be limited to restoring to the extent of insurance proceeds paid to Landlord (a) the Premises to substantially the condition in which the same existed prior to such casualty, exclusive of any alterations, additions, improvements, fixtures and equipment installed by Tenant, or (b) Landlord's work as described in Exhibit "C", if any, to substantially

days after written notice thereof from Landlord to Tenant, provided that in connection with a default not susceptible of being cured by the exercise of due diligence within fifteen (15) days, the time for curing the failure shall be extended for the period reasonably required, but in no event for a period of time in excess of ninety (90) days after the date of the written notice thereof from Landlord to Tenant, provided Tenant commences promptly and at all times thereafter proceeds diligently to cure the failure.

Landlord at any time thereafter may give written notice to Tenant stating that this Lease shall expire and terminate on the date specified in the notice; and upon the date specified in the notice this Lease and all rights of Tenant under this Lease, including any renewal privileges, whether or not exercised, shall expire and terminate, and Tenant shall remain liable as hereinafter provided.

17.02 Possession. Upon any such expiration or termination of this Lease, Tenant shall quit and peacefully surrender the Premises to Landlord; and Landlord may reenter and take possession of the Premises or any part thereof and expel or remove Tenant and all personnel and property from the Premises, with or without service of notice, statutory or otherwise, hereby being expressly waived, or resort to any legal proceedings and without being deemed guilty of any trespass or becoming liable for any loss or damage which may be occasioned thereby; or may bring an action for summary possession of the Premises or any part thereof as provided by law. If Tenant shall after default voluntarily give up possession to Landlord, deliver to Landlord the keys to the Premises, or both, such action shall be deemed to be in compliance with Landlord's rights and the acceptance thereof by Landlord shall not be deemed to constitute a surrender of the Premises, unless written notice of acceptance is given by Landlord to Tenant.

17.03 Reletting by Landlord. If this Lease is terminated pursuant to this Article, or by summary proceedings or otherwise, or if the Premises or any part thereof shall be abandoned by Tenant or shall become vacant during the term hereof Landlord may in its own name, but as agent for Tenant if this Lease is not terminated, or if this Lease is terminated, in its own behalf, relet the Premises or any part thereof, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease) and on such conditions (which may include concessions or free rent and alterations of the Premises) as Landlord, in its uncontrolled discretion, may determine, and may collect and receive the rents therefor. Landlord shall in no way be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon such reletting. Landlord need not give Tenant notice of reletting as agent for Tenant prior to such reletting. No reentry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention be given to Tenant. No notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Notwithstanding any reentry or reletting without termination pursuant to this Paragraph 17.03, Landlord may at any time thereafter terminate this Lease for any such previous breach.

17.04 Survival of Liability. No such expiration or termination of this Lease, or summary proceedings, abandonment or vacation, shall relieve Tenant of its liability and obligation under this Lease, whether or not the Premises shall be relet. In any such event Tenant shall pay Landlord the rent and all other charges required to be paid by Tenant up to the time of

17.07 Acceptance of Rent by Landlord. Landlord shall not be obligated to notify Tenant of the due date of rent nor demand payment thereof on its due date, the demand being expressly waived by Tenant. The acceptance of any sums of money from Tenant after the expiration of any five (5) day notice as above provided shall be taken to be a payment on account by Tenant and shall not constitute a waiver by Landlord of any rights, nor shall it reinstate this Lease or cure a default on the part of Tenant.

17.08 Property Left on Premises. Upon the expiration of this Lease or its termination for any cause, if the Tenant shall leave any property of any kind or character on or in the Premises, such fact shall be conclusive evidence of intent by Tenant to abandon the Property. Landlord or its agents shall have the right without notice to Tenant, to remove such property without liability to Tenant, and such property when removed shall belong to the Landlord as partial compensation for the removal and disposition of said property.

17.09 Bankruptcy. The filing of any petition in bankruptcy or insolvency or the reorganization under Title 11 of the United States Code (the "Bankruptcy Code") by or against Tenant, or the making of a voluntary assignment by Tenant for the benefit of its creditors, or the filing by Tenant of any petition for arrangement or composition under the Bankruptcy Code, or the appointment of a receiver or trustee after notice and hearing to take charge of Tenant's business, or of any other petition or application seeking relief under other federal or state laws now or hereafter providing for relief of debtors, shall automatically constitute a default of this Lease by Tenant for which Landlord may, at any time or times thereafter, at its option exercise any of the remedies and options provided to Landlord for default of this Lease by Tenant; provided, however, that Landlord shall not exercise its remedies hereunder if a Trustee in Bankruptcy has assumed this Lease within the time limitations and is otherwise in compliance with the Bankruptcy Code. Any subsequent rejection of the Lease by such trustee shall constitute a default and Landlord may exercise any and all remedies set forth herein. This is a Lease of real property in a shopping center within the meaning of Section 365(b)(3) of the Bankruptcy Code, 11 U.S.C. §365(b)(3).

17.10 WAIVER OF JURY TRIAL. TENANT HEREBY WAIVES (TO THE EXTENT ALLOWED BY LAW) ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT OR SUITS BROUGHT TO ENFORCE ANY PROVISIONS OF THIS LEASE OR ARISING OUT OF OR CONCERNING THE PROVISIONS OF THIS LEASE.

17.11 Landlord's Default and Liability. If Landlord fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period or fails to proceed diligently to complete the cure after the thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that the obligations of Landlord or of the individual partners, joint ventures, directors, officers, shareholders or beneficial owners of the Landlord, and Tenant shall look solely to the Shopping Center and to no other assets of the Landlord for satisfaction of any liability in respect to this Lease. Tenant will not seek recourse

approaches, exists, entrances, roadways, and all other common and public facilities to such extent as may, in the sole opinion of the Landlord, be legally necessary to prevent a dedication thereof or the accrual of any rights of any person, and to the extent as may, in the sole opinion of the Landlord, be legally necessary to prevent a dedication thereof or the accrual of any rights in any person; and (c) the right to relocate and change any of the proposed buildings and other improvements shown on the site plan as attached Exhibit "A" (provided Landlord agrees it will not materially alter the location of the Premises or materially alter the amount of floor area therein) and to make, or permit to be constructed additional buildings and improvements (including elevated or multi-level parking facilities) in the Shopping Center as the same may be from time to time constituted and for any, and all of such purposes to use portions of the Common Area portions of the Shopping Center, including, but not by way of limitation, the parking areas, parking facilities, approaches, exits, entrances, roadways, and all other common and public facilities.

ARTICLE XX
SUBORDINATION, ESTOPPEL CERTIFICATES
AND LANDLORD'S FINANCING REQUIREMENTS

20.01 Subordination. This Lease is subordinate, junior and inferior to all ground and underlying leases, all mortgages and deeds of trust, which now or hereafter effect the Premises and to any and all advancements to be made thereunder and to all renewals, modifications, consolidations, replacements, and extensions thereof and Tenant, if requested by Landlord, shall subordinate this Lease and all interest of Tenant to all ground and underlying leases and mortgages and deeds of trust which may now or hereafter effect the Premises and to any and all advances to be made thereunder and all renewals, modifications, consolidations, replacements and extensions thereof.

20.02 Estoppel Certificates. Tenant shall, without charge, at any time and from time to time, within ten (10) days after request by Landlord, deliver a written instrument to Landlord or any other person firm or corporation specified by Landlord, duly executed and acknowledged, certifying that this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modifications, whether or not there are then existing any set-offs or defenses in favor of Tenant against the enforcement of any of the terms, covenants and conditions of this Lease by Landlord, and if so, specifying the same, and also whether or not Landlord has observed and performed all of the terms, covenants and conditions on the part of Landlord to be observed and performed, and if not, specifying the same; and the dates of which Minimum Rent, Additional Rent and all other charges hereunder have been paid. Tenant's failure to deliver such estoppel certificate upon an additional five (5) days written notice to Tenant shall constitute a material default hereunder without the applicability of any of the notice and cure periods specified in this Lease and shall be conclusive upon Tenant that: (a) this Lease is in full force and effect without modification, except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's or Tenant's performance (other than Tenant's failure to deliver the estoppel certificate); and (c) not more than one (1) month's rental has been paid in advance. Tenant shall indemnify, defend (with counsel reasonably approved by Landlord in writing) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages,

23.04 Memorandum of Lease. Landlord and Tenant agree that neither will record this Lease. Tenant will execute and record a memorandum of this Lease at any time if Landlord so requests.

23.05 Notices. All notices under this Lease shall be given in writing and shall be deemed to be properly served only if hand-delivered or sent, postage or freight prepaid, to Landlord at the last address where rent was paid or to Tenant at the Premises, (i) Registered or Certified Mail with return receipt requested, (ii) reputable overnight courier such as FedEx, UPS or USPS, or (iii) by facsimile transmission (with copy of electronic confirmation of transmittal being retained by the notifying party), with hard copy delivered by Registered or Certified. Such notice shall be deemed to have been given (i) if hand-delivered, on the date of delivery, unless hand-delivered after 3:00 p.m. MST or on a weekend, or Arizona or Federal holiday in which case notice shall be deemed to have been given on the following business day, (ii) if delivered by Registered or Certified mail, five (5) business days after the same is deposited in the United States Mail with postage prepaid, (iii) if delivered by overnight courier, upon actual signed receipt or rejection, or (iv) if sent by facsimile transmission, on the date of transmittal unless transmitted after 3:00 p.m. MST or on a weekend, or Arizona or Federal holiday in which case notice shall be deemed to have been given on the following business day. Either party, may by written notice to the other, change its address for notice purposes.

23.06 Holding Over. In the event Tenant remains in possession of the Premises after the expiration of this Lease, it shall be deemed to be occupying the Premises as a Tenant from month to month, subject to all of the terms of this Lease insofar as the same are applicable to a month to month tenancy, except that the Minimum Rent shall be 125% of that provided in Article IV of this Lease for the first one month of holdover and 200% thereafter.

23.07 Relationship of Parties. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third-party, as creating the relationship of principal and agent or partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant.

23.08 Covenants Run with Land. The covenants and agreements hereof shall be binding upon the parties and their heirs, executors, administrators, successors and assigns of the parties hereto.

23.09 Separability-Partial Invalidity. Each covenant, agreement and provision of this Lease shall be construed to be a separate covenant, agreement and provision. If any covenant, agreement or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such covenant, agreement to the provision or any person or circumstances other than those as to which such covenant, agreement or provision is invalid or unenforceable, shall not be affected thereby and each covenant, agreement and provision of this Lease shall be valid and enforceable to the extent permitted by law.

23.16 Labor Problems. Tenant agrees that it will not at any time, either directly or indirectly, use any contractors, labor or materials in the Premises if the use of such contractor, labor or materials creates or threatens any work stoppage by any other contractors, or labor engaged by Tenant or Landlord or others in the construction, maintenance or operation of the Shopping Center or any part thereof.

23.17 Continuing Offer. Execution of the Lease by Tenant constitutes an offer which shall not be deemed accepted by Landlord until Landlord has executed this Lease and delivered pursuant to Paragraph 23.05 a duplicated original thereof to Tenant.

23.18 [INTENTIONALLY OMITTED].

23.19 Relocation of Tenant by Landlord. [INTENTIONALLY OMITTED]

23.20 Reasonable Consent. Where any term of this Lease requires the approval or consent of the Landlord, such approval or consent shall not be unreasonably withheld, conditioned or delayed.

23.21 Brokers. Tenant warrants that it has not dealt with any other brokers or parties other than Colliers International (Danny Orgega) and The Staubach Company (as Landlord's broker) and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims for commissions and/or other such compensation with respect to persons and/or parties claiming through Tenant.

23.22 Knowledge. When used in this Lease, the phrases "known to Landlord" or "to Landlord's knowledge" or any similar such phrase shall mean and include solely the actual, present knowledge of only those officers of Landlord directly involved at that time in the day-to-day operations of the Shopping Center, in each case without any duty to investigate or inquire into the matter in question.

23.23 Time Is of the Essence; Performance Date: Business Day. Time is of the essence in the performance of Tenant's obligations under this Lease. In the event the date for the performance of any obligation under this Lease falls due on a Saturday, Sunday and/or federal or Arizona holiday, the date for performance shall be extended to the next succeeding day (herein a "business day") which is not a Saturday, Sunday or federal or Arizona holiday.

23.24 Attorney's Fees. In the event either party hereto institutes an action to enforce this Lease, the prevailing party shall be entitled to receive its attorney's fees and costs, expert witness fees and costs, and court costs.

[see following page for signatures]

EXHIBIT "A"

PLAN OF SHOPPING CENTER AND LEASED PREMISES

EXHIBIT "B"

RUMBI AZ – GATEWAY CROSSING, LLC, a Utah limited liability company
TENANT

DESCRIPTION OF PREMISES

Those Premises located at Gateway Crossing Shopping Center, at the southwest corner of the intersection of 99th Avenue and McDowell Road, in the City of Avondale, County of Maricopa, State of Arizona, containing approximately 2,600 square feet of floor area. The approximate location of the premises is cross-hatched or otherwise specifically identified on Exhibit "A".

Permitted Use: See Section 1.19 above

Exclusive Use: See Section 1.20 above

Tenant's Trade Name: Rumbi Island Grill

EXHIBIT "C"
LANDLORD'S WORK AND TENANT'S WORK

Grey Shell

**DESCRIPTION OF LANDLORD'S WORK
AND TENANT'S WORK**

A. Work at Landlord's Cost and Expense (Landlord's Work)

Landlord agrees at its sole cost and expense to furnish and install all of the following "Landlord's Work" limited to the quantity specified herein below and as selected and specified by Landlord. Landlord will select structural systems and all materials and equipment Landlord is obligated to supply hereunder.

1. Shell. Exterior walls, roof structures and membrane, concrete slab, glass storefront, front and rear entrances. Exterior storefront to include one (1) 3'0" x 7'0" storefront door with lock. Receiving door to be 3'0" x 7'0", 18-ga. steel door with 16 ga. Frame. Roof clear height between 13 and 15 feet.

2. Floors. All areas to be smooth finish, troweled concrete floors ready for installation of floor covering to be supplied and installed at Tenant's expense. To the extent Landlord permits Tenant to construct any portion of the floor of the Premises, Tenant shall coordinate all such construction with Landlord.

3. Partitions. Demising wall framing to be constructed to underside of roof deck with 6" metal studs.

4. Fire Protection. Sprinkler system conforming to NFPA Standards and Code Requirements for a shell condition.

5. Plumbing and Sewer: A cold water line will be provided at the Premises. A 4" sanitary sewer line will be provided beneath the concrete floor in the Premises. Landlord shall provide a grease trap stubbed to the Premises at a location determined by Landlord.

6. HVAC. HVAC units (with 50 feet of control wire and programmable thermostats) with only duct stubs through roof, based on approximately one (1) ton of cooling for every one hundred fifty (150) square feet of Premises. Note: In the event that Tenant's use of the Premises requires additional cooling, fresh air and/or exhaust air for special equipment, cooking equipment, additional personnel, stock room areas, or show windows, and the like, Tenant shall provide same at Tenant's sole cost and expense. Tenant shall hire Landlord's roofing contractor for roofing repairs in order to maintain roof warranty.

7. Electrical Service. Leased Premises will be provided with a single meter socket, feed and a minimum 400-amp, 3-phase, 4-wire, 120/280-volt service at the SES Panel, required for lighting and HVAC equipment. The Tenant shall be responsible for pulling the wire from the SES to their space and shall be responsible for the panel. Lighting. Emergency exit signs and

Tenant shall meet all other requirements necessary to prepare and open said premises for business authorized and required by the Lease.

Tenant shall arrange for and pay such charges as may be required by the various utilities for services to Premises.

C. Tenant Improvement Allowance Contribution by Landlord.

Landlord will pay Tenant, once only, as a tenant improvement allowance contribution toward the cost of Tenant's Work installed by Tenant (which by the terms of this Lease shall be the property of the Landlord upon installation) an amount equal to the sum of \$20.00 per square foot of Tenant's Gross Leasable Area (estimated to be \$52,000.00) excluding Gross Leaseable Area of any patio or similar space the Tenant uses in conjunction with its business and less any deduction by Landlord as provided at Section A2 of this Exhibit "C" (the "Allowance"). The Allowance shall be payable fifteen (15) days following the last of the following to occur:

- a. Execution of this Lease and any Guaranty of this Lease;
- b. Lien-free completion of Tenant's Work, as evidenced by lien waivers and/or other written evidence approved by Landlord in writing and confirming that Tenant's general contractor, and all subcontractors, materialmen and laborers have been paid in full and have waived any and all lien rights they may possess regarding the Premises and/or Shopping Center. Tenant is to provide Landlord with bona fide invoices for completed Tenant's Work if requested by Landlord;
- c. Tenant delivering to Landlord all documents required by Exhibit "C" and the Tenant Information Handbook referred to therein, including "as built" drawing and specifications of the work done, being the final approved working drawings and specifications marked and/or revised to show any and all subsequent changes thereto and deviations from the approved material, so as to reflect the actual construction conditions after completion of such construction with respect to all particulars, including without limitation, design, materials, method of construction and physical location of facilities (but no such changes or deviations from the working drawings and specifications shall have been made without the prior approval of Landlord in accordance with Exhibit "B");
- d. Tenant taking occupancy of the Leased Premises and opening the Leased Premises for business fully stocked and staffed;
- e. Tenant executing and delivering to Landlord, a factual estoppel certificate in form satisfactory to Landlord;
- f. Acceptance by all government inspection agencies and Landlord of all Tenant's Work, Landlord to act reasonably and promptly as to approval of such work;
- g. Tenant delivering to Landlord a copy of the duly recorded notice of completion or similar document in accordance with the Law relating to mechanics' liens confirming completion of Tenant's Work; and

EXHIBIT "D"

NOTICE OF OWNERS NONLIABILITY FOR LIEN

To be provided and posted at the site prior to the start of construction of tenant finishes by Tenant's contractor.

EXHIBIT "F"

TENANT'S CERTIFICATE

The undersigned as tenant under that certain lease dated _____ made with RUMBI AZ – GATEWAY CROSSING, LLC, a Utah limited liability company (the "Tenant") and RAINTREE PAD 2, LLC, an Arizona limited liability company (the "Landlord"), hereby certifies as follows:

(a) That the undersigned has entered into occupancy of the Premises described in said Lease;

(b) That said Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except:

_____;

(c) That the same represents the entire agreement between the parties:

(d) That the Rent Commencement Date of said Lease is _____;

(e) That there is an unexpired term hereunder of _____ years and _____ months;

(f) That all conditions of said work to be performed by Landlord and necessary to the enforceability of said Lease have been satisfied;

(g) That there are no defaults;

(h) That no rents have been prepaid other than as provided in said Lease;

(i) That on this date there are no existing defenses or offsets which the undersigned has against the enforcement of said Lease by Landlord; and

(j) That the construction to be done by Landlord per Exhibit "C" has been completed.

The undersigned hereby agrees:

(a) To disclaim all right, title or interest in said Premises except the rights granted by said Lease;

EXHIBIT "G"

AGENCY DISCLOSURE / OWNERSHIP

Date: _____
4.31.06

The Landlord and developer of the Shopping Center is a limited liability company ("L.L.C.") in the State of Arizona known as Raintree Pad 2, LLC, with limited members. Dave Cheatham, Darren Pitts, Patrick K. Sauer, and Ed Beeh of Staubach Retail Services - West, LLC (and all of whom were formerly employed by CB Richard Ellis) are negotiating to own member shares in the L.L.C. which has an interest in the Shopping Center, and hereby fully disclose this interest to all parties involved. Staubach Retail Services - West, LLC, Dave Cheatham, Darren Pitts, Patrick K. Sauer, Ed Beeh and CB Richard Ellis are licensed real estate brokers in the State of Arizona and Staubach Retail Services - West, LLC is representing the Landlord in this shopping center development.

Acknowledged:

BTD.
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IN WITNESS WHEREOF, the Members have executed this Agreement as of the date and year first set forth above.

MWE RUMBI, LLC

By: 

David Duffin, Manager

RUMBI STORES, LLC

By: RUMBI HOLDINGS, LLC, its Manager

By: 

Brad Davis, Manager

By: 

David Duffin, Manager

*06 OCT 18 Liv. Dept PM 2 54

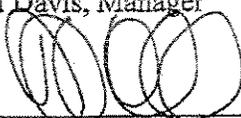
IN WITNESS WHEREOF, the parties hereto have executed this Agreement to effective as of the day and year first written above.

RUMBI LICENSING, LLC

By: RUMBI HOLDINGS, LLC, its Manager

By: 

Brad Davis, Manager

By: 

David Duffin, Manager

RUMBI AZ - GATEWAY CROSSING, LLC

By: 

David Duffin, Manager

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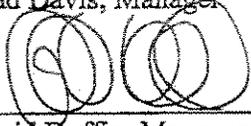
IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the day and year first written above.

RUMBI MANAGEMENT SERVICES, LLC

By: RUMBI HOLDINGS, LLC, its Manager

By: 

Brad Davis, Manager

By: 

David Duffin, Manager

RUMBI AZ - GATEWAY CROSSING, LLC

By: 

David Duffin, Manager

DO NOT PUBLISH THIS SECTION

1. The company name must contain an ending which may be "limited liability company," "limited company," or the abbreviations "L.L.C.," "L.C.," "LLC" or "LC". If you are the holder or assignee of a tradename or trademark, attach Declaration of Tradename Holder form. If your name is not available for use in Arizona, you must adopt a fictitious name and provide a resolution adopting the name, which must be signed by a manager, member or authorized agent.

2. Provide the name of the state or jurisdiction under whose laws your company was formed.

3. Provide the date on which your company organized in the state or jurisdiction under whose laws it was formed.

4. Provide the general character of business you plan to transact in Arizona.

5. The statutory agent must provide a street address. If statutory agent has a P.O. Box, then they must also provide a street address/location.

The agent must consent to the appointment by executing the consent.

APPLICATION FOR REGISTRATION OF A FOREIGN LIMITED LIABILITY COMPANY

1. The name of the foreign limited liability company is:

Rumbi AZ--Gateway Crossing, LLC

1.a. If the exact name of the foreign limited liability company is not available for use in this state, then the fictitious name adopted for use by the limited liability company in Arizona is:

(FN)

2. The company is organized under the laws of: Utah

(State)

3. The date of the company's formation is: May 16, 2006

4. The purpose of the company or the general character of business it proposes to transact in Arizona is:

(a) to acquire, own, and manage one or more restaurant facilities, (b) to engage in all other activities related thereto, and (c) to engage in any legal and lawful purpose for which limited liability companies may be formed.

5. The name and street address of the statutory agent for the foreign limited liability company in Arizona is:

CT Corporation System
3225 North Central Avenue
Phoenix, Arizona 85012

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

I, CT Corporation System, having been designated to act as statutory

(Print Name)

agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statutes.

[Signature]

CT Corporation System

[If signing on behalf of a company serving as statutory agent, print company name here]

05 OCT 18 Liq. Dept PM 2 54

6. Check which management structure will be applicable to your company. Provide name, title and address for each person.

6. Management

Management of the limited liability company is vested in a manager or managers. The names and addresses of each person who is a manager AND each member who owns a twenty percent or greater interest in the capital or profits of the limited liability company are:

Name:
Address:
City, State, Zip:

Rumbi Management Services, LLC
 member manager
435 West Universal Circle
Sandy, Utah 84070

Rumbi Stores, LLC
 member manager
435 West Universal Circle
Sandy, Utah 84070

David Duffin
 member manager
435 West Universal Circle
Sandy, Utah 84070

MWE Rumbi, LLC
 member manager
435 West Universal Circle
Sandy, Utah 84070

Management of the limited liability company is reserved to the members. The names and addresses of each person who is a member are:

member

member

member

member

PHONE _____

FAX _____

Attach a certificate of existence or document of similar import duly authenticated (within sixty (60) days) by the official having custody of corporate records in the state, province or county under whose laws the corporation is incorporated (AZ Const. Art. XIV, §8).

Your fax and phone number is optional.

7. If the jurisdiction under the law of which your company is formed, you must provide the address of the principle office of the company, in whatever state or jurisdiction it is located.

7. The address of the office required to be maintained in the jurisdiction under the laws of which the company is organized, if required; or, if not required, the address of the principal office of the company is:
435 West Universal Circle
Sandy, Utah 84070

The application must be signed by a member, manager or duly authorized agent.

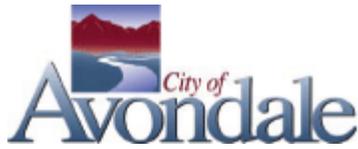
Executed this 1 day of JUNE

See A.R.S. §29-601 et seq. for more info.

[Signature] Brad Davis, Manager of Rumbi Management Services, LLC

LL:0005 Rev. 09/05

[Print Name] (Check One) Member Manager Authorized Agent



CITY COUNCIL REPORT

SUBJECT:
Special Event Liquor Licenses- St. Thomas Aquinas
Church- Phoenix Boys Choir Concert

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Deann Helman
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that Council consider a special event liquor license for the St. Thomas Aquinas Church, 13720 West Thomas Road, Avondale for December 10, 2006.

DISCUSSION:

The City Clerk's Office has received an application for a special event liquor license from Carl Sappenfield, representing St. Thomas Aquinas Church, to be used in conjunction with the Phoenix Boys Choir concert.

This event will be held on Sunday, December 10, 2006, from 3:30 p.m. to 5:30 p.m., at St. Thomas Aquinas Church.

Staff has reviewed this application using the 14 factors set forth in Ordinance 1031-04. The findings are as noted below:

- 1) The event will be open to the public.
- 2) Criminal history of the applicant - A background check of the organizer, Mr. Carl Sappenfield, revealed no contact with the Avondale Police Department.
- 3) The event is a concert.
- 4) Security measures taken by the applicant – Police Department has reviewed the security plan and approved it.
- 5) & 6) Wine and beer will be sold in plastic cups during the intermission.
- 7) Has this event created any neighborhood disturbances in the past three years –no problems have been reported with similar concerts at the same location.
- 8) Potential for problems in the neighborhood in terms of noise, hours and time of the event - All activities will be confined to the church and no amplification will be used.
- 9) Length of the event – 2 hours, including intermission.
- 10) Sanitary facilities available to the participants – Church has facilities.
- 11) Is zoning appropriate - Zoning is A-1 General Industrial. Planning staff has indicated that the proposed use will not result in incompatible land uses.

12) Anticipated number of attendees - The anticipated total daily attendance is 1200 at the event, 100 in the alcohol area.

13) Nature of sound amplification system – none.

14) Traffic control measures will not be necessary per the Police Department.

The required fees have been paid. The Police and Fire Departments have reviewed the applications and are recommending approval. Their comments are attached.

RECOMENDATION:

Staff is recommending the approval of a special event liquor license for St. Thomas Aquinas Church, 13720 West Thomas Road, for the Phoenix Boys Choir concert to be held December 10, 2006.

ATTACHMENTS:

Click to download

 [City and State Application](#)

 [STAC-Comments](#)



Special Event Liquor License Application

Any person qualified to apply for a special event liquor license pursuant to ARIZ. REV. STAT. § 4-203.02-B shall make application to the City. This form shall be completed and submitted to the City Clerk at least 21 days prior to the special event and must be accompanied by the Arizona Department of Liquor Licenses and Control's Application for Special Event License. The Avondale City Council will review the application and forward it along with its recommendation to the State.

The City Council may consider the following factors to determine approval or disapproval of the special event liquor license application:

1. Whether the event will be open to the public.
2. Criminal history of the applicant.
3. Nature of the event.
4. Security measures taken by the applicant.
5. Type of alcohol that will be sold at the event.
6. How the alcohol will be served.
7. Whether the promoter of the event has obtained a special event liquor license in the City of Avondale within the last three years that created neighborhood disturbances.
8. Potential for problems in the neighborhood of the proposed event in terms of noise, hours and time(s) of the event.
9. Length of the event.
10. Sanitary facilities available to the participants.
11. Whether the zoning is proper.
12. Anticipated number of attendees.
13. The nature of the sound amplification systems.
14. Whether traffic control measures will be taken.

GENERAL INFORMATION – Applicant must be a member of the qualifying organization and authorized to submit the application

Phoenix Boys Choir
Name of Event

12-10-06
Date of Event

Concert
Nature of Event (carnival, dinner, dance, concert, etc.)

Name of Venue ^{X212}
(623) 935 2151 ()
Phone Number Fax Number

13720 W. Thomas Rd. Avondale AZ
Location Address

Carl H. Sappenfield
Name of applicant (Must be on site during the event)

E-Mail Address

St. Thomas Aquinas
Sponsoring Organization

Church
Type of Organization

86-0337499
501-C-3#

Carl H. Sappenfield
Name of contact at Sponsoring Organization

(623) 327 1285
Phone Number

Describe methods that will be used to identify attendees under the age of 21 and ensure they are not served alcohol?

Carding Drivers License, Picture ID.

What controls will be used to keep attendees under the age of 21 from obtaining alcohol at the event?

Security & Carding

Will more than 50% of the event's gross revenues be derived from alcohol sales? Yes No

Type of alcohol to be served: Beer Wine spirituous liquor

How will the alcohol be served?

glasses bottles Plastic Containers disposable cups cans

How will alcohol be obtained? _____

Has the applicant been convicted of a felony in the past five years? Yes No

If yes, please provide a detailed explanation including dates, nature, location and disposition.

Has the Applicant/Organization ever had a liquor license or event permit denied, revoked or suspended? Yes No If yes, please explain:

Has a similar event been held in the City of Avondale in the last three years and if so, has it created any neighborhood disturbances? Yes No

If yes, please give specific information including event, dates and nature of disturbance.

Sound System

EVENT SECURITY

**The City of Avondale only allows security companies that are licensed and bonded in the State of Arizona.*

Will private security be used at the event? Yes No
If yes, provide name of company _____

Will the event be requesting off-duty Avondale Police Officers? Yes No

FEES

The fee for a Special Event Liquor License is \$25.00 per event day and must accompany this application - this is in addition to the State's fee.

CERTIFICATION

I hereby certify that I am the applicant filing this application as listed in Section 1 and the statements made in this application are true and complete to the best of my knowledge, and that I am authorized to execute the application. Intentional omissions or falsification of information is sufficient grounds for denial of the application and subsequent revocation of the permit. I agree to indemnify the City and its respective officers, agents and employees from any and all losses, claims liabilities, damages, costs, and expenses, including reasonable attorney's fees and court costs, resulting from the conduct of the applicant, sponsor or promoter, their employees, suppliers, vendors or agents, or any of their guests, invitees or licensees with regard to the event applied for. I agree to indemnify the City and its respective officers, agents and employees from any and all losses, claims, liabilities, damages, costs and expenses, including reasonable attorney's fees and court costs, resulting from any facility, park or lake closure due to inclement weather, an issued warning or other emergency situation. In such an instance, I understand that all event participants must follow the City's guidelines and procedures for lake/facility evacuation and that this event is being held inside the City limits and all City rules and regulations apply. I also understand that the City reserves the right to determine that park facilities are unusable as a result of inclement weather.

Carl H. Sappenfeld
Applicant's Signature

11-14-06
Date

Please submit application to:
City Clerk's Department
11465 W. Civic Center Drive, Suite 200
Avondale, Arizona 85323

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141



400 W Congress #521
Tucson AZ 85701-1352
(520) 628-6595

APPLICATION FOR SPECIAL EVENT LICENSE
 Fee = \$25.00 per day, for 1-10 day events only
 A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

PLEASE NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED.

DEPT USE ONLY
LIC#

****APPLICATION MUST BE APPROVED BY LOCAL GOVERNMENT**

1. Name of Organization: St. Thomas Aquinas Church

2. Non-Profit/I.R.S. Tax Exempt Number: 86-0337499

3. The organization is a: (check one box only)
- Charitable
 - Fraternal (must have regular membership and in existence for over 5 years)
 - Civic
 - Political Party, Ballot Measure, or Campaign Committee
 - Religious

4. What is the purpose of this event? Fundraiser

5. Location of the event: 12720 W. Thomas Rd, Avondale Maricopa 85323
Address of physical location (Not P.O. Box) City County Zip

Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Question #1. (Signature required in section #18)

6. Applicant: Sappenfield Carl H
Last First Middle Date of Birth

7. Applicant's Mailing Address: 10236 S 185th St, Goodview AZ 85338
Street City State Zip

8. Phone Numbers: 623 327-1285 () 623 327-1285
Site Owner # Applicant's Business # Applicant's Home #

9. Date(s) & Hours of Event: (Remember: you cannot sell alcohol before 10:00 a.m. on Sunday)

	Date	Day of Week	Hours from A.M./P.M.	To A.M./P.M.
Day 1:	<u>12-10-06</u>	<u>Sunday</u>	<u>3:30pm</u>	<u>5:30pm</u>
Day 2:	_____	_____	_____	_____
Day 3:	_____	_____	_____	_____
Day 4:	_____	_____	_____	_____
Day 5:	_____	_____	_____	_____
Day 6:	_____	_____	_____	_____
Day 7:	_____	_____	_____	_____
Day 8:	_____	_____	_____	_____
Day 9:	_____	_____	_____	_____
Day 10:	_____	_____	_____	_____

10. Has the applicant been convicted of a felony in the past five years, or had a liquor license revoked?
 YES NO (attach explanation if yes)
11. This organization has been issued a special event license for 3 days this year, including this event
(not to exceed 10 days per year).
12. Is the organization using the services of a promoter or other person to manage the event? YES NO
If yes, attach a copy of the agreement.
13. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds.
**THE ORGANIZATION APPLYING MUST RECEIVE 25% of the gross revenues of
Alcoholic Beverage Sales.**

Name	Address	Percentage
St. Thomas Aquinas Church	1372 W Thomas Rd. Avondale AZ 85323	100%

(Attach additional sheet if necessary)

14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. If you have any questions regarding the law or this application, please contact the Arizona State Department of Liquor Licenses and Control for assistance.

NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMISES."

15. What security and control measures will you take to prevent violations of state liquor laws at this event?
(List type and number of security/police personnel and type of fencing or control barriers if applicable)

3 # Police Fencing
2 # Security personnel Barriers

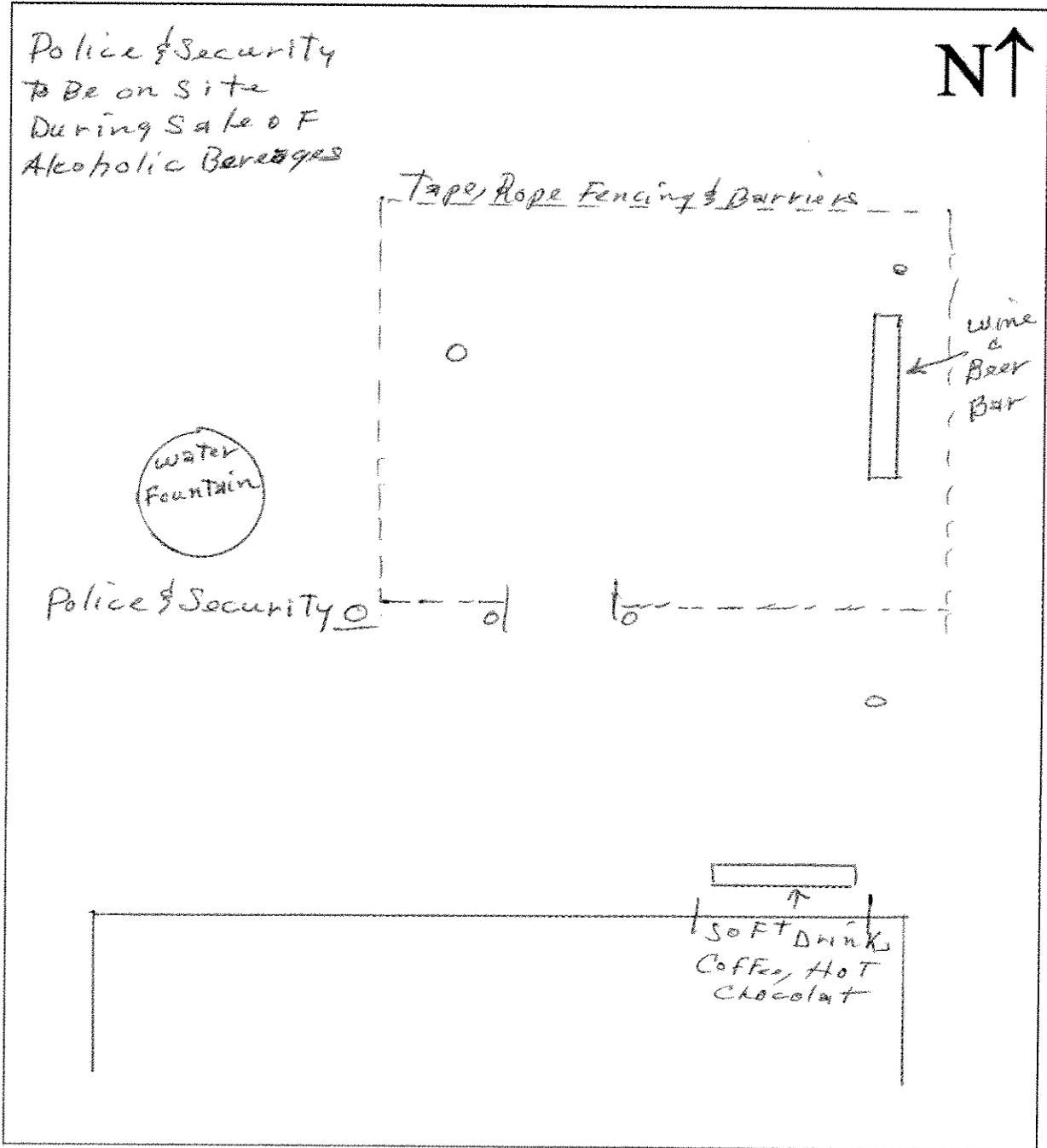
16. Is there an existing liquor license at the location where the special event is being held? YES NO
If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? YES NO
(ATTACH COPY OF AGREEMENT)

Name of Business () Phone Number

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

SPECIAL EVENT LICENSED PREMISES DIAGRAM
(This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions)
NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.

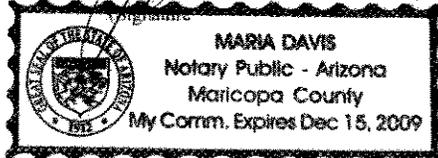


THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE ORGANIZATION NAMED IN QUESTION #1

18. I, Matthew S. Sprinkle, declare that I am an Officer/Director/Chairperson appointing the applicant listed in Question 6, to apply on behalf of the foregoing organization for a Special Event Liquor License.

[Signature]
(Signature)

Director of Music 11-17-06 623-935-7857
(Title/Position) (Date) (Phone #)



State of Arizona County of Maricopa
The foregoing instrument was acknowledged before me this 17 November 2006
Day Month Year

My Commission expires on: 12/15/2009
(Date)

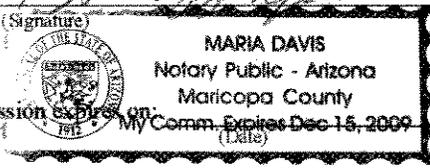
[Signature]
(Signature of NOTARY PUBLIC)

THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6

19. I, Carl H. Suppenfeld, declare that I am the APPLICANT filing this application as listed in Question 6. I have read the application and the contents and all statements are true, correct and complete.

[Signature]
(Signature)

State of Arizona County of Maricopa
The foregoing instrument was acknowledged before me this



17 November 2006
Day Month Year
[Signature]
(Signature of NOTARY PUBLIC)

My commission expires on: _____
(Date)

You must obtain local government approval. City or County MUST recommend event & complete item #20. The local city or county jurisdiction may require additional applications to be completed and additional licensing fees before approval may be granted.

LOCAL GOVERNING BODY APPROVAL SECTION

20. I, _____ hereby recommend this special event application
(Government Official) (Title)
on behalf of _____
(City, Town or County) (Signature of OFFICIAL) (Date)

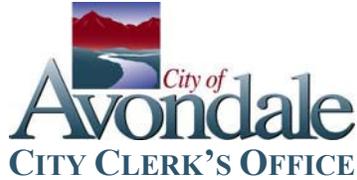
FOR DLLC DEPARTMENT USE ONLY

Department Comment Section:

(Employee) (Date)

APPROVED DISAPPROVED BY: _____

(Title) (Date)



DEPARTMENTAL REVIEW FORM

TYPE OF LICENSE:

SPECIAL EVENT LIQUOR LICENSE

ROUTING:

POLICE DEPARTMENT

FIRE DEPARTMENT

APPLICANT'S NAME: CARL SAPPENFIELD

ORGANIZATIONS NAME: ST. THOMAS AQUINAS CHURCH

EVENT ADDRESS: 13720 WEST THOMAS ROAD

CITY: AVONDALE **STATE:** AZ **ZIP CODE:** 85323

PURPOSE OF EVENT: CONCERT

DEPARTMENTAL COMMENTS:

I approve this event.

APPROVED

DENIED

Lieutenant McCarthy

SIGNATURE

11/27/06

DATE

THIS LICENSE IS SCHEDULED FOR THE COUNCIL MEETING OF: DECEMBER 4, 2006
PLEASE RETURN YOUR COMMENTS TO THE CITY CLERK'S OFFICE BY: NOVEMBER 22, 2006



DEPARTMENTAL REVIEW FORM

TYPE OF LICENSE:

SPECIAL EVENT LIQUOR LICENSE

ROUTING:

POLICE DEPARTMENT

FIRE DEPARTMENT

APPLICANT'S NAME: CARL SAPPENFIELD

ORGANIZATIONS NAME: ST. THOMAS AQUINAS CHURCH

EVENT ADDRESS: 13720 WEST THOMAS ROAD

CITY: AVONDALE **STATE:** AZ **ZIP CODE:** 85323

PURPOSE OF EVENT: CONCERT

DEPARTMENTAL COMMENTS:

APPROVED

DENIED

A handwritten signature in black ink, appearing to read "Gayle Marshall".

SIGNATURE

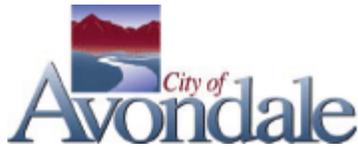
FIRE MARSHAL

TITLE

11/22/06

DATE

**THIS LICENSE IS SCHEDULED FOR THE COUNCIL MEETING OF: DECEMBER 4, 2006
PLEASE RETURN YOUR COMMENTS TO THE CITY CLERK'S OFFICE BY: NOVEMBER 22, 2006**



CITY COUNCIL REPORT

SUBJECT:

Appointments to the Board of Adjustment, IPMC Board of Appeals, Library Advisory Board, Municipal Arts Committee, Parks and Recreation Advisory Board, Planning Commission, Risk Management Trust Fund Board, and Social Services Advisory Board.

MEETING DATE:

December 4, 2006

TO: Mayor and Council

FROM: Carmen Martinez

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council consider recommendations from the Council subcommittee for appointments to the Board of Adjustment, IPMC Board of Appeals, Library Advisory Board, Municipal Arts Committee, Parks and Recreation Advisory Board, Planning Commission, Risk Management Trust Fund Board, and Social Services Advisory Board.

BACKGROUND:**DISCUSSION:**

A Council subcommittee comprised of Vice Mayor Wolf, Council Member Lynch, and Council Member Scott interviewed interested applicants on Tuesday, November 21, 2006 at the Civic Center for openings on the aforementioned citizen's committees. Based upon the interview process, they are recommending the following appointments:

Board of Appeals – Vacancies: 3 regular; 1 alternate

Jacqueline Brook	12/31/09
Michael Long	12/31/09
Jennifer Campbell	12/31/09

IPMC Board of Appeals – Vacancies: 3 regular

Michael Long	12/31/09
--------------	----------

Library Advisory Board – Vacancies: 2 regular; 1 alternate

Jacqueline Brook	12/31/09
------------------	----------

Municipal Arts Committee – Vacancies: 1 alternate

Jennifer Campbell	12/31/09 (alternate member)
-------------------	-----------------------------

Parks and Recreation Advisory Board – Vacancies: 1 regular; 1 alternate

Casey Newcomb	12/31/09 (regular member)
Jim McDonald	12/31/09 (alternate member)

Planning Commission – Vacancies: 2 regular; 1 alternate

Al Lageschulte	12/31/09
----------------	----------

Social Services Advisory Board – Vacancies: 9 regular

John Placko	12/31/09
Irene Rivera	12/31/09

Risk Management Trust Fund Board – Vacancies: 1 Council Member; 1 Citizen

Council Member Lynch	12/31/07
Jim McDonald	12/31/09

In 2004, City Council adopted Ordinance 1010-04 which established the Risk Management Trust Fund Board. It states that a Council Member shall serve as one of its members. Former Council Member Ray Shuey was appointed in November of 2004 to serve in this committee and upon his resignation, Council Member Lynch was appointed to serve his unexpired term. Council Member's Lynch term in this board is due to expire on December 31, 2006. In addition to the subcommittee's recommendation for appointment, Staff is recommending that Council Member Lynch be reappointed to serve in the Risk Management Trust Fund Board.

There will still be vacancies on some Boards, Committees and Commissions and staff will continue to recruit for those positions.

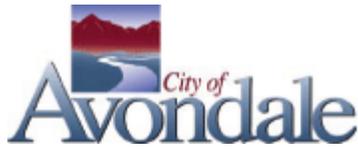
RECOMENDATION:

Staff recommends that Council approve the subcommittee's recommendations as noted above.

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY COUNCIL REPORT

SUBJECT:
Public Hearing - Development Fee Increase

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that Council conduct a public hearing as required by A.R.S. § 9-463.05 prior to adoption of proposed increases to the City's development fees.

BACKGROUND:

On January 17, 2006, a contract was awarded to TischlerBise, Fiscal, Economic and Planning Consultants for services pertaining to the evaluation and update of the City's development fees.

The City currently assesses fees for the following categories:

- Water
- Sewer
- Libraries
- Parks & Recreation
- Police
- Fire/EMS
- General Government
- Sanitation
- Transportation

TischlerBise, reviewed the costs of infrastructure and facilities in each category. Based on the estimated costs, level of service and projected community growth, additional revenue is required to provide sufficient funding for the improvements needed to support new development in the community. An increase in all categories is recommended.

The draft development fee report was provided to the development community for review and input. Representatives from Valley Partnership, Capitol Consulting (Multi-Family), and the Arizona Home Builders Association received copies of the report. A meeting was held on September 8, 2006 to discuss any questions or issues that these groups may have regarding the proposed fees.

On September 18, 2006, staff presented the draft development fee report to Council for review and discussion. Council directed staff to move forward with the public notice process.

On September 25, 2006, City staff was presented with an evaluation of the draft development fee report prepared by the Home Builders' Association of Central Arizona (HBACA). Questions were raised in the evaluation regarding the inclusion of projects, costs and level of service. The questions were forwarded to TischlerBise for their review. Staff prepared a response on October 19, 2006 addressing the questions and included the responses prepared by TischlerBise. A reduction in the Transportation Development fee was recommended based on the HBACA's evaluation. To date, no further questions have been addressed to City staff regarding the proposed fees. A copy of the updated development fee report is attached for review.

On October 2, 2006, Council adopted a resolution authorizing the declaration of a notice of intention to increase development fees. This notice was published in the West Valley View on October 31, 2006 stating the date and time of the public hearing.

A public hearing must be held at least sixty days after the adoption of the notice of intention to increase the fees. The Council may adopt the fees at least fourteen days after the public hearing.

RECOMENDATION:

Staff recommends that Council conduct a public hearing to receive input on the proposed development fees.

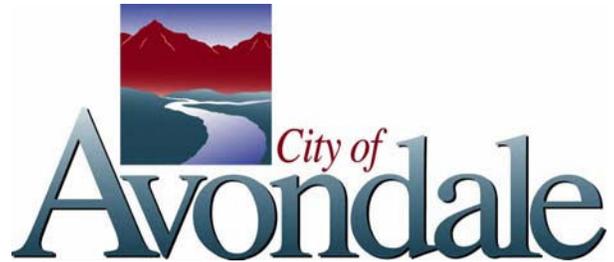
ATTACHMENTS:

Click to download

 [Development Fee Study](#)

Development Fee Study

Prepared for:



August 24, 2006

(Amended October 11, 2006)

Prepared by:



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Executive Summary

The City of Avondale has contracted with TischlerBise to update its existing development fees for the following infrastructure categories:

- Water;
- Sewer;
- Libraries;
- Parks & Recreation;
- Police;
- Fire;
- General Government;
- Sanitation;
- Transportation.

DEVELOPMENT FEE REQUIREMENTS

Development fees are one-time payments used to construct system improvements needed to accommodate new development. A development fee represents new growth's fair share of capital facility needs. By law, development fees can only be used for *capital* improvements, not operating or maintenance costs. Development fees are subject to rigorous legal standards, which require fulfillment of three key elements: demand, benefit and proportionality. First, to justify a fee for public facilities, it needs to be demonstrated that new development will create a **demand** for capital improvements. Second, new development must derive a **benefit** from the payment of the fees (i.e., in the form of public facilities constructed within a reasonable timeframe). Third, the fee paid by a particular type of development should not exceed its **proportional** share of the capital cost for system improvements.

The development fee methodologies established in this report show that the capital facilities for which the fee are prepared are a consequence of new development, the fees are proportionate and reasonably related to the capital facility service demands of new development and that development fees will substantially benefit new development.

Another general requirement that is common to development fee methodologies is the evaluation of *credits*. There are several types of credits that have been considered in the development fee methodology. First, a **principal payment credit** has been considered to avoid potential double

payment for capital facilities that have been financed with property tax backed debt.

The second type of credit is a **site-specific credit** for system improvements that have been included in the development fee calculations. Project improvements normally required as part of the development approval process are not eligible for credits against development fees. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. However, the general concept is that developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the development fee calculation schedule.

METHODOLOGIES

As part of this study, TischlerBise evaluated possible methodologies and documented appropriate demand indicators by type of development, for each type of development fee. Specific capital costs have been identified using local data and current dollars. The formula used to calculate each development fee is diagrammed in a flow chart at the beginning of each section. Also, each fee category includes a summary table indicating the specific factors used to derive the development fee. These factors are also referred to as level-of-service (LOS) standards.

There are three basic methods used to calculate the various components of Avondale's development fees. A **plan-based methodology** is best suited for public facilities that have adopted plans or commonly accepted service delivery standards to guide capital improvements. Under the plan-based methodology, there are two approaches considered. The *average approach* is used for projects that are the result of *both new and existing development*. The planned costs are allocated to both new and existing development which ensures that new growth only pays its share of the costs. The *marginal approach* is used for projects that are the result of *only new growth*. The planned costs are allocated to the net increase in new growth.

The **incremental expansion methodology** documents the current level-of-service (LOS) for each type of public facility. LOS standards are determined using the City's current inventory of capital facilities and assets as well as current costs to construct or purchase comparable facilities or assets. However, Avondale will not use the funds for renewal and/or replacement of existing facilities. Rather the City's intent is to use development fee revenue to expand or provide additional facilities, as needed to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments, with LOS standards based on current conditions in the community.

A third method, known as the **buy-in methodology** is best suited for facilities that have been oversized in anticipation of growth and have excess capacity available. New development would "buy-in" to the excess capacity of the facility. The rationale for the buy-in approach is that new development will pay for its share of the useful life and remaining capacity of recently constructed facilities.

Figure 1 provides a schedule of the development fees for Avondale. Development fees for residential development will be assessed per housing unit and nonresidential development fees will be assessed per 1,000 square feet of floor area or motel room. The City may adopt fees that are less than the amounts shown. However, a reduction in development fee revenue will necessitate an

increase in other revenues, a decrease in planned capital expenditures and/or a decrease in the City's LOS standards.

Figure 1: Schedule of Development Fees

All Development (per water meter)

Meter Size (inches)	Type	Capacity Ratio	Water	Sewer	TOTAL
0.75	Displacement	1.0	\$5,251	\$5,493	\$10,744
1.00	Displacement	1.7	\$8,833	\$9,270	\$18,103
1.50	Displacement	3.3	\$16,985	\$17,908	\$34,893
2.00	Displacement	5.3	\$27,067	\$28,575	\$55,642
3.00	Compound	11.0	\$56,248	\$59,450	\$115,698
4.00	Compound	17.0	\$86,800	\$91,774	\$178,574

Residential (per unit)

	Libraries	Parks & Recreation	Police	Fire/EMS	General Government	Sanitation	Transportation	TOTAL
Single Family Detached	\$346	\$2,501	\$344	\$996	\$929	\$304	\$1,857	\$7,277
Multi-Family	\$273	\$1,970	\$271	\$785	\$731	N/A	\$1,137	\$5,166
All Other Housing Types	\$350	\$2,526	\$348	\$1,006	\$938	N/A	\$968	\$6,136

Nonresidential (per 1,000 square feet/motel room)

Commercial / Shopping Center 25,000 SF or less	N/A	N/A	\$1,903	\$963	\$1,171	N/A	\$5,459	\$9,496
Commercial / Shopping Center 25,001-50,000 SF	N/A	N/A	\$1,653	\$827	\$1,010	N/A	\$4,742	\$8,232
Commercial / Shopping Center 50,001-100,000 SF	N/A	N/A	\$1,380	\$723	\$871	N/A	\$3,960	\$6,934
Commercial / Shopping Center 100,001-200,000 SF	N/A	N/A	\$1,181	\$642	\$765	N/A	\$3,390	\$5,978
Commercial / Shopping Center over 200,000 SF	N/A	N/A	\$1,004	\$578	\$678	N/A	\$2,881	\$5,141
Office / Institutional 10,000 SF or less	N/A	N/A	\$698	\$1,295	\$1,242	N/A	\$2,184	\$5,419
Office / Institutional 10,001-25,000 SF	N/A	N/A	\$565	\$1,200	\$1,135	N/A	\$1,769	\$4,669
Office / Institutional 25,001-50,000 SF	N/A	N/A	\$482	\$1,131	\$1,061	N/A	\$1,509	\$4,183
Office / Institutional 50,001-100,000 SF	N/A	N/A	\$411	\$1,067	\$993	N/A	\$1,286	\$3,757
Office / Institutional over 100,000 SF	N/A	N/A	\$350	\$969	\$897	N/A	\$1,096	\$3,312
Business Park	N/A	N/A	\$393	\$914	\$858	N/A	\$1,230	\$3,395
Light Industrial	N/A	N/A	\$214	\$668	\$614	N/A	\$672	\$2,168
Warehousing	N/A	N/A	\$152	\$370	\$346	N/A	\$478	\$1,346
Manufacturing	N/A	N/A	\$117	\$517	\$467	N/A	\$368	\$1,469
Motel (per room)	N/A	N/A	\$173	\$127	\$140	N/A	\$543	\$983

All costs in the development fee calculations are given in current dollars with no assumed inflation rate over time. If cost estimates change significantly, the fees should be recalculated.

It is difficult to compare development fee amounts from community to community. Differences in fee amounts can be attributed to a variety of factors including levels-of-service, community priorities and objectives, services for which the community is responsible for providing, and how a community procures and finances its capital improvements. Also, communities may have adopted less than 100% of the maximum, supportable development fees.

A note on rounding: Calculations throughout this report are based on analysis conducted using Excel software. Results are discussed in the report using one-and two-digit places (in most cases), which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not due to rounding in the analysis).

Water

METHODOLOGY

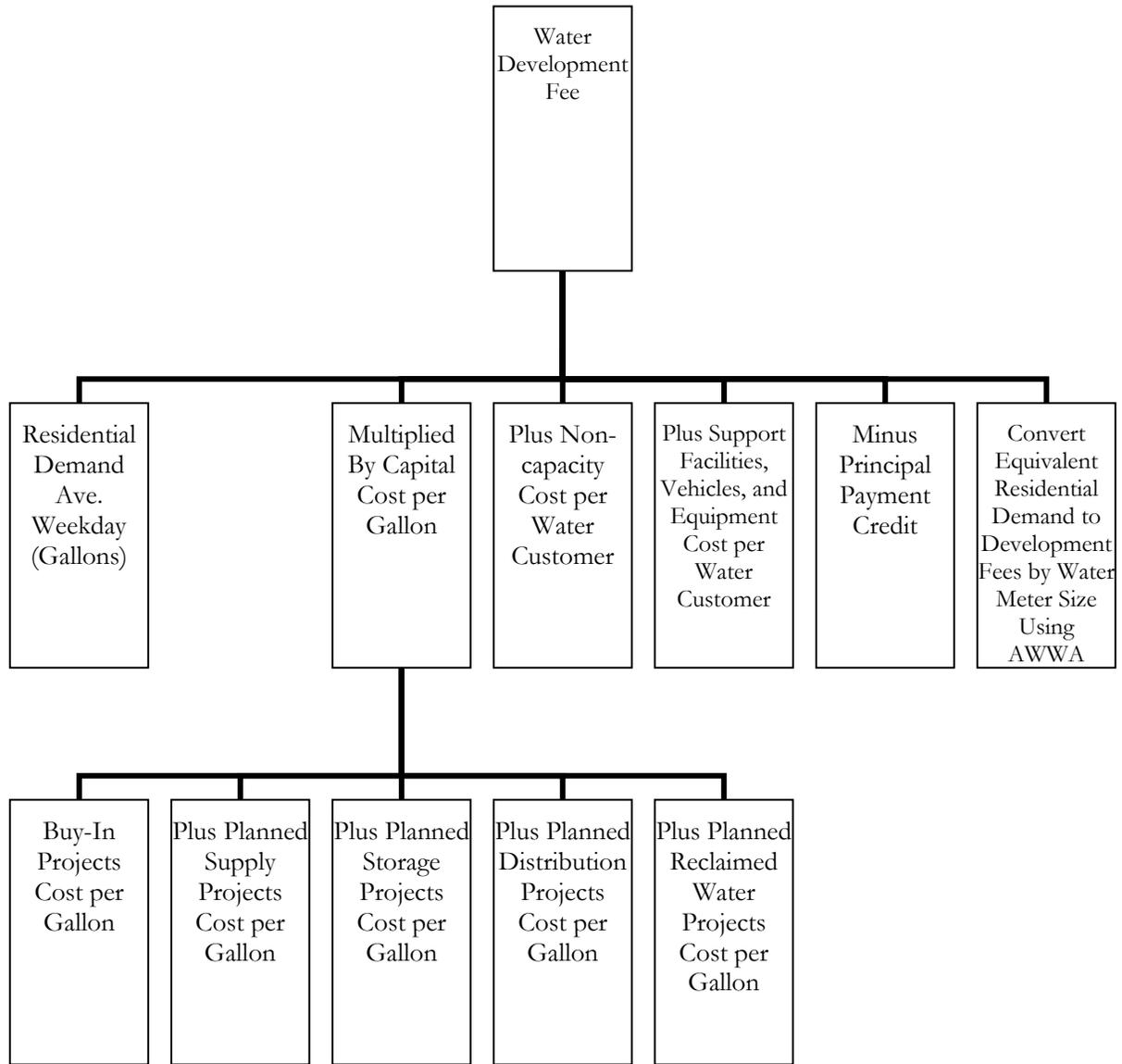
The Water Development Fee is derived using all three development fee calculation methodologies.

The buy-in method is used for recently completed projects that were built in anticipation of new development and still have available capacity. The plan-based methodology is used for water supply projects, storage projects, distribution projects, reclaimed water transmission lines, and noncapacity projects. For planned projects, two cost allocation approaches are considered. The *marginal cost approach* is used for projects which are the result of new growth only. These costs are allocated to the net increase in gallons provided by the planned projects. The *average cost approach* is used for planned projects that result from both existing and future development. Under this approach, costs are conservatively allocated to the total number of gallons from both new and existing development at the end of the CIP planning horizon. The incremental expansion methodology is used for support facilities and vehicles and equipment.

A credit for future principal payments for property tax backed debt for water facilities is included to avoid double payment.

As shown in Figure 2, the net capital cost per gallon of capacity is multiplied by the average daily residential demand in Avondale. Fees for meters larger than 0.75 inches are derived from capacity ratios published by the American Water Works Association (AWWA).

Figure 2: Water Development Fee Methodology Chart



WATER DEMAND

Figure 3 shows average daily water demand for residential and nonresidential development based on City billing records.

Figure 3: Daily Residential and Nonresidential Water Demand

	<i>Billed Gallons/Day*</i>	<i>Customers*</i>	<i>Billed Gallons/ Customer</i>	<i>Lost Water % *</i>	<i>Total Gallons/ Customer</i>
Residential	7,077,616	19,587	361	5.9%	383
Nonresidential	3,316,564	1,017	3,261	5.9%	3,454

* Avondale utility billing records through June 30, 2006.

The City sizes its water infrastructure needs based on the amount of water produced; not the amount of water billed. Thus a factor for lost water is used to determine the total number of gallons of water per residential and nonresidential customer (as shown in Figure 3 above). Figure 4 details City billing records for the last ten years which shows the average amount of water lost to be 5.9%.

Figure 4: Lost Water Records Last 10 Years

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	10 Year Ave.
Pumped (acre feet)	3,903	4,390	4,942	4,989	6,023	6,965	7,757	9,380	10,180	11,226	11,538	
Distributed (acre feet)	3,561	4,014	4,706	4,565	5,535	7,379	7,633	8,987	9,303	10,289	10,419	
Loss (acre feet)	(342)	(376)	(236)	(424)	(488)	414	(124)	(393)	(877)	(937)	(1,119)	
Percentage Loss	-8.8%	-8.6%	-4.8%	-8.5%	-8.1%	5.9%	-1.6%	-4.2%	-8.6%	-8.3%	-9.7%	-5.9%

TischlerBise derived the following factors to project the future number of water customers and water demand. These factors are derived using data from Figure 3 above and the current demographic estimates from Appendix A at the back of the report.

Figure 5: Residential and Nonresidential Water Projection Factors

Gallons per Residential Customer	383
Persons Per Household	3.35
Gallons per Person	114
Percentage of Future Housing Units as Water Customers	100%
Gallons from Nonresidential Development	3,316,564
Jobs	7,561
Gallons per Job	439
Nonresidential Customers	1,017
Jobs per Nonresidential Customer	7

Future projections of water customers and water usage are shown in Figure 6 below. These projections are derived using the data from Figure 5 and the development projections from Appendix A at the back of the report.

Figure 6: Projected Water Demand

Fiscal Year =>	5 Year Intervals				
	2007	2012	2017	2022	2027
Housing Units	24,146	29,809	35,472	41,135	41,135
Residential Water Customers	19,587	25,250	30,913	36,576	36,576
Gallons per Residential Water Customer	383	383	383	383	383
Gallons per Day from Residential Development	7,497,178	9,664,765	11,832,352	13,999,938	13,999,938
Jobs	7,561	14,772	24,050	35,285	35,285
Jobs per Nonresidential Water Customer	7	7	7	7	7
Nonresidential Water Customers	1,017	1,987	3,235	4,746	4,746
Gallons per Nonresidential Water Customer	3,261	3,261	3,261	3,261	3,261
Gallons per Day from Nonresidential Development	3,316,564	6,479,451	10,549,439	15,477,447	15,477,447
Total Gallons per Day	10,813,743	16,144,216	22,381,790	29,477,385	29,477,385
Total Customers	20,604	27,237	34,148	41,322	41,322

WATER BUY-IN PROJECTS

Figure 7 lists several water projects the City has recently completed which still have available capacity to be utilized by new development. The projects are grouped by type (wells, storage, water lines). The total, current value of each group of projects is divided by the total available capacity of the projects to yield the buy-in cost per gallon for each group of projects. The total buy-in cost per gallon is \$4.53.

Figure 7: Water Buy-in Projects

WELLS	<i>Fiscal Year</i>	<i>Original</i>	<i>Current</i>	<i>Capacity</i>
	<i>Completed</i>	<i>Cost</i>	<i>Value</i>	<i>Available for New Development (Gallons)</i>
Additional Wells	2006	\$815,251	\$733,726	330,000
Stovepipe Well at Friendship Park	2005	\$1,260,938	\$1,008,750	500,000
Rancho Santa Fe Well	2004	\$635,531	\$444,872	375,000
TOTAL		\$2,711,720	\$2,187,348	1,205,000

Buy-in Cost per Gallon for Wells \$1.82

STORAGE PROJECTS	<i>Fiscal Year</i>	<i>Original</i>	<i>Current</i>	<i>Capacity</i>
	<i>Completed</i>	<i>Cost</i>	<i>Value</i>	<i>Available for New Development (Gallons)</i>
Coldwater Springs Reservoir & Booster	2006	\$1,154,677	\$1,039,209	2,125,000
Garden Lakes Reservoir	2006	\$5,088,501	\$4,579,651	1,500,000
Well #8 Reservoir & Booster	2005	\$5,352,150	\$4,281,720	900,000
Coldwater Springs Reservoir & Booster	2003	\$1,251,291	\$750,775	625,000
TOTAL		\$12,846,619	\$10,651,355	5,150,000

Buy-in Cost per Gallon for Storage Projects \$2.07

WATER LINES	<i>Fiscal Year</i>	<i>Original</i>	<i>Current</i>	<i>Capacity</i>
	<i>Completed</i>	<i>Cost</i>	<i>Value</i>	<i>Available for New Development (Gallons)</i>
Fulton Estates Project	2005	\$681,757	\$545,406	750,000
Agua Fria Transmission Line/Well #16	2005	\$1,255,734	\$1,004,587	1,980,000
Indian School Water Line	2004	\$927,546	\$649,282	1,250,000
Van Buren - Agua Fria to 115th	2004	\$1,147,839	\$803,487	680,000
TOTAL		\$4,307,277	\$3,002,762	4,660,000

Buy-in Cost per Gallon for Water Lines \$0.64

TOTAL BUY-IN COST PER GALLON \$4.53

Source: Avondale Finance Department.

PLANNED SUPPLY PROJECTS

Figure 8 lists the City’s planned water supply projects from the CIP. The projects listed at the top of Figure 8 are the result of new development only. The total capacity of the projects is used to calculate the cost per gallon for these projects. The development fees will be used to fund these projects. The projects shown at the bottom of Figure 8 are the result of both new and existing development. Thus the total water demand in FY2011 (which includes both new and existing

development) is used to calculate the cost per gallon. New growth will pay for its share of these projects via the Water Development Fee while existing growth's share will have to be funded from non-development fee sources.

Water Supply Projects – Cost Analysis

The planned projects listed under the marginal approach will cost \$2.61 per gallon for wells, \$0.41 for CAP purchases, and \$0.22 per gallon for recharge facilities. The planned water treatment projects listed under the average approach will cost \$0.30 per gallon. The total cost per gallon for the planned water supply projects is \$3.55 ($\$2.61 + \$0.41 + \$0.22 + \$0.30 = \3.55).

AVONDALE, ARIZONA DEVELOPMENT FEE STUDY

Figure 8: Planned Supply Projects

MARGINAL APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
WELLS						
Northeast Area Well	\$2,176,960	\$0	\$0	\$0	\$0	\$2,176,960
Baker Well at 119t and Encanto	\$1,279,000	\$0	\$0	\$0	\$0	\$1,279,000
Well #20 at El Mirage/Indian School	\$359,600	\$0	\$0	\$0	\$0	\$359,600
Exploratory Boring & Well Production Evaluation	\$491,550	\$0	\$0	\$0	\$0	\$491,550
AG Well South of I-10/East of Agua Fria	\$0	\$700,000	\$900,000	\$0	\$0	\$1,600,000
Additional Wells	\$67,780	\$0	\$0	\$0	\$0	\$67,780
SRP paired Well at 119th and Whyman	\$0	\$500,000	\$1,250,000	\$0	\$0	\$1,750,000
Pylman Well at Lower Buckeye	\$350,000	\$1,250,000	\$0	\$0	\$0	\$1,600,000
Lakin Well at 112th and Buckeye	\$0	\$0	\$950,000	\$650,000	\$0	\$1,600,000
Well at Cashion	\$150,000	\$0	\$0	\$0	\$0	\$150,000
Wieler Well - SWC Avondale/Van Buren	\$500,000	\$1,250,000	\$0	\$0	\$0	\$1,750,000
Well 24 - Gateway Crossing	\$779,490	\$800,000	\$0	\$0	\$0	\$1,579,490
Landcrest Well - El Mirage/N. of Indian School	\$109,510	\$0	\$0	\$500,000	\$1,500,000	\$2,109,510
TOTAL	\$6,263,890	\$4,500,000	\$3,100,000	\$1,150,000	\$1,500,000	\$16,513,890

Gallons of Capacity 6,318,000

Cost per Gallon \$2.61

CAP WATER PURCHASE

Central Arizona Project Water Purchase	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
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Gallons of Capacity 4,835,093

Cost per Gallon \$0.41

RECHARGE FACILITIES

NAUSP Recharge Site	\$1,489,000	\$0	\$0	\$0	\$0	\$1,489,000
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Gallons of Capacity 6,695,568

Cost per Gallon \$0.22

AVERAGE APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
WATER TREATMENT						
Well Head Treatment	\$2,344,240	\$0	\$0	\$0	\$0	\$2,344,240
Arsenic Treatment	\$2,185,730	\$0	\$0	\$0	\$0	\$2,185,730
TOTAL	\$4,529,970	\$0	\$0	\$0	\$0	\$4,529,970

Total Average Daily Water Demand FY2011 15,005,553

Cost per Gallon \$0.30

TOTAL PLANNED SUPPLY PROJECTS COST PER GALLON \$3.55

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

PLANNED STORAGE PROJECTS

Figure 9 lists the City’s planned water storage projects from the CIP. These projects are the result of new development only. The total capacity of the projects is used to calculate the cost per gallon for these projects.

Water Storage Projects – Cost Analysis

The development fees will be used to fund these projects. The planned storage projects listed under the marginal approach will cost \$1.35 per gallon.

Figure 9: Planned Storage Projects

MARGINAL APPROACH

<i>Projects</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Southeast Area 2 Reservoirs & Booster	\$4,952,100	\$0	\$0	\$0	\$0	\$4,952,100
South Avondale Reservoir	\$0	\$0	\$0	\$600,000	\$1,200,000	\$1,800,000
TOTAL	\$4,952,100	\$0	\$0	\$600,000	\$1,200,000	\$6,752,100

Gallons of Capacity 5,000,000

Cost per Gallon \$1.35

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

PLANNED DISTRIBUTION PROJECTS

Figure 10 lists the City’s planned water distribution projects from the CIP. The projects listed at the top of Figure 10 are the result of new development only. The total capacity of the projects is used to calculate the cost per gallon for these projects. The development fees will be used to fund these projects. The projects shown at the bottom of Figure 10 are the result of both new and existing development. Thus the total water demand in FY2011 (which includes both new and existing development) is used to calculate the cost per gallon. New growth will pay for its share of these projects via the Water Development Fee while existing growth’s share will have to be funded from non-development fee sources.

Water Distribution Projects – Cost Analysis

The planned projects listed under the marginal approach will cost \$2.15 per gallon for distribution lines and \$0.15 per gallon for booster stations. The planned projects listed under the average approach will cost \$0.69 per gallon. The total cost per gallon for the planned water distribution projects is \$2.99 (\$2.15 + \$0.15 + \$0.69 = \$2.99).

Figure 10: Planned Distribution Projects

MARGINAL APPROACH

Project	FY2007	FY2008	FY2009	FY2010	FY2011	TOTAL
WATER LINES						
Van Buren 16" Transmission Line	\$150,000	\$0	\$0	\$0	\$0	\$150,000
Roosevelt Street Waterline - East of Avondale Blvd.	\$143,500	\$0	\$0	\$0	\$0	\$143,500
McDowell -El Mirage to Avondale Waterline Imp	\$0	\$300,000	\$1,200,000	\$0	\$0	\$1,500,000
Water Line on 115th- Lower Buckeye to Gila River	\$0	\$0	\$0	\$1,500,000	\$6,000,000	\$7,500,000
Indian Springs Rd. Gila River to El Mirage Rd.	\$0	\$0	\$0	\$510,000	\$2,950,000	\$3,460,000
127th Ave - Lower Buckeye to Dysart	\$800,000	\$0	\$0	\$0	\$0	\$800,000
TOTAL	\$1,093,500	\$300,000	\$1,200,000	\$2,010,000	\$8,950,000	\$13,553,500

Gallons of Capacity 6,318,000

Cost per Gallon \$2.15

BOOSTER STATIONS

McDowell / RSF Booster Station to Waterline	\$155,000	\$605,000	\$0	\$0	\$0	\$760,000
TOTAL	\$155,000	\$605,000	\$0	\$0	\$0	\$760,000

Gallons of Capacity 5,000,000

Cost per Gallon \$0.15

AVERAGE APPROACH

WATER LINES						
Northeast Transmission Line, 199th to 107th	\$36,680	\$0	\$0	\$0	\$0	\$36,680
Lower Buckeye Water Line, 4th St to El Mirage	\$1,505,330	\$0	\$0	\$0	\$0	\$1,505,330
Dysart Road Waterline - Van Buren to Western	\$2,315,510	\$0	\$0	\$0	\$0	\$2,315,510
Palm Lane - 117th to 118th Water Line Improvements	\$0	\$0	\$0	\$0	\$225,000	\$225,000
McDowell Improvements - 99th to Avondale Blvd.	\$120,630	\$0	\$0	\$0	\$0	\$120,630
Emergency Interconnection w/ Other Water Companies	\$112,000	\$112,000	\$0	\$0	\$0	\$224,000
Miscellaneous Water Distribution Connectivity	\$120,000	\$0	\$0	\$0	\$0	\$120,000
Thomas Road -103rd to 99th Water Line Improvements	\$0	\$0	\$300,000	\$1,100,000	\$0	\$1,400,000
99th Avenue Water Line - Thomas to McDowell	\$500,000	\$2,000,000	\$0	\$0	\$0	\$2,500,000
Lower Buckeye to Main Water Line Improvements	\$0	\$0	\$0	\$500,000	\$1,400,000	\$1,900,000
TOTAL	\$4,710,150	\$2,112,000	\$300,000	\$1,600,000	\$1,625,000	\$10,347,150

Total Average Daily Water Demand FY2011 15,005,553

Cost per Gallon \$0.69

TOTAL PLANNED DISTRIBUTION PROJECTS COST PER GALLON \$2.99

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

PLANNED RECLAIMED WATER PROJECTS

Figure 11 lists the City's planned reclaimed water projects. The total capacity of the projects is used to calculate the cost per gallon for these projects. The development fees will be used to fund these projects.

Reclaimed Water Projects – Cost Analysis

The planned projects listed in Figure 11 will cost \$1.12 per gallon (\$10,094,134/9,000,000 gallons = \$1.12 per gallon).

Figure 11: Planned Reclaimed Water Projects

<i>Project</i>	<i>TOTAL</i>
Reclaimed Water Transmission Lines	\$10,094,134
Gallons of Capacity	9,000,000
Cost per Gallon	\$1.12

Source: CH2M Hill and City of Avondale.

PLANNED NONCAPACITY PROJECTS

Figure 12 lists the City’s planned water noncapacity projects from the CIP. Because these projects do not add capacity to the water system, water customers are a better measure of demand and proportionality for these projects instead of gallons. The projects shown in Figure 12 are the result of both new and existing development. Thus the total number of water customers in FY2011 (which includes both new and existing development) is used to calculate the cost per customer. New growth will pay for its share of these projects via the Water Development Fee while existing growth’s share will have to be funded from non-development fee sources.

Noncapacity Water Projects – Cost Analysis

The planned water system security implementation listed under the average approach will cost \$46.24 per water customer.

Figure 12: Planned Noncapacity Projects

AVERAGE APPROACH

<i>Projects</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Water System Security Implementation	\$397,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,197,000
					Total Water Customers FY2011	25,888
					Cost per Customer	\$46.24

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

WATER SUPPORT FACILITIES

The incremental expansion methodology is used to calculate the support facilities component of the Water Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per water customer to provide this LOS.

Water Support Facilities – LOS Analysis

Figure 13 lists the current 4,600 square feet of facilities used to support the City’s water infrastructure. The current LOS is calculated as follows: 4,600 square feet/20,604 water customers = 0.22 square feet per customer.

Figure 13: Water Support Facilities LOS Standards

<i>Buildings</i>	<i>Square Feet</i>
Water Administration	4,600
TOTAL	4,600
<i>Demand Units FY2007</i>	
Water customers	20,604
<i>LOS</i>	
Square feet per customer	0.22

Water Support Facilities – Cost Analysis

The City estimates the cost to be \$197 per square foot to provide comparable support facilities. This results in a cost factor of \$43.98 per water customer. This is calculated by multiplying the current LOS of 0.22 square feet per customer by \$197 per square foot (0.22 x \$197 = \$43.98).

Figure 14: Water Support Facilities Cost Standards

<i>LOS</i>	
Square feet per customer	0.22
<i>Cost Factor</i>	
Average Cost per Square Foot*	\$197
<i>Cost</i>	
Per Customer	\$43.98

* Avondale Field Operations Department based construction cost of Municipal Operations Center.

WATER SUPPORT VEHICLES & EQUIPMENT

The incremental expansion methodology is used to calculate the support vehicles and equipment component of the Water Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per water customer to provide this LOS.

Water Support Vehicles & Equipment – LOS Analysis

Figure 15 lists the current fleet of vehicles and equipment used to support the City’s water infrastructure. The current LOS for is calculated as follows: 39 vehicles/20,604 water customers = 0.0019 vehicles per customer.

Figure 15: Water Support Vehicles & Equipment LOS Standards

<i>Division/Vehicles</i>	<i># of Units</i>
<i>Water</i>	
Trailer	2
Gator	1
Golf Cart	3
Pickup Truck	15
SUV	2
4X4 Truck	2
Utility Truck	8
Dump Truck	1
Ditch Witch	1
Vac Unit	1
Backhoe	2
Sterling Truck	1
TOTAL	39
<i>Demand Units FY2007</i>	
Water customers	20,604
<i>LOS</i>	
Vehicles/equipment per customer	0.0019

Water Support Vehicles & Equipment – Cost Analysis

The City’s Fleet Service Division estimates the current fleet of water related vehicles and equipment to have a total value of \$1,272,500, an average of \$32,628 per unit (\$1,272,500/39 units = \$32,628).

This results in a cost factor of \$61.76 per customer. This is calculated by multiplying the current LOS of 0.0019 vehicles per customer by \$32,628 per unit (0.0019 x \$32,628 = \$61.76).

Figure 16: Water Support Vehicles & Equipment Cost Standards

<i>Division/Vehicles</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Water			
Trailer	2	\$20,925	\$41,850
Gator	1	\$10,550	\$10,550
Golf Cart	3	\$10,000	\$30,000
Pickup Truck	15	\$23,200	\$348,000
SUV	2	\$25,000	\$50,000
4X4 Truck	2	\$30,000	\$60,000
Utility Truck	8	\$38,500	\$308,000
Dump Truck	1	\$62,500	\$62,500
Ditch Witch	1	\$35,000	\$35,000
Vac Unit	1	\$70,000	\$70,000
Backhoe	2	\$73,300	\$146,600
Sterling Truck	1	\$110,000	\$110,000
TOTAL	39		\$1,272,500

Average Cost per Vehicle/Equipment => \$32,628

LOS

Vehicles/equipment per customer 0.0019

Cost Factor

Average Cost per Vehicle/Equipment \$32,628

Cost

Per Customer \$61.76

* Avondale Fleet Services Division.

PRINCIPAL PAYMENT CREDITS

Avondale is making payments on General Obligation (G.O.) bonds that financed water projects. To avoid potential double payment for these facilities, a principal payment credit is shown in Figure 17.

Because interest costs have not been added to the development fees, a credit is not necessary for future interest payments. Due to the time value of future payments, a net present value adjustment is used in the calculation of the credit. The credit is calculated to be \$0.22 per gallon on a net present value basis.

Figure 17: Principal Payment Credits

<i>Fiscal Year</i>	<i>Series 2005 Principal Payments</i>	<i>Series 1997 Principal Payments</i>	<i>TOTAL</i>	<i>Projected Gallons</i>	<i>Credit per Gallon</i>
2007	\$50,000	\$300,000	\$350,000	10,813,743	\$0.03
2008	\$35,000	\$315,000	\$350,000	11,807,269	\$0.03
2009	\$370,000	\$0	\$370,000	12,837,080	\$0.03
2010	\$380,000	\$0	\$380,000	13,903,174	\$0.03
2011	\$395,000	\$0	\$395,000	15,005,553	\$0.03
2012	\$400,000	\$0	\$400,000	16,144,216	\$0.02
2013	\$425,000	\$0	\$425,000	17,319,162	\$0.02
2014	\$435,000	\$0	\$435,000	18,530,393	\$0.02
2015	\$460,000	\$0	\$460,000	19,777,908	\$0.02
2016	\$475,000	\$0	\$475,000	21,061,707	\$0.02
2017	\$720,000	\$0	\$720,000	22,381,790	\$0.03
				Discount Rate	5.50%
				Net Present Value	\$0.22

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Water Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$14,800) is allocated to the projected increase in gallons over the next three years. This results in a development fee study cost per demand unit of \$0.005 per gallon (\$14,800/3,089,432 gallons).

WATER DEVELOPMENT FEE

Figure 18 provides a summary of the variables used to calculate the Water Development Fee. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Water Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

Figure 18: Water Development Fee Cost Summary

<i>Cost Summary</i>		<i>Standards:</i>
Gallons per Day per Residential Connection		383
Buy-in Projects Cost per Gallon		\$4.53
Planned Supply Projects Cost per Gallon		\$3.55
Planned Storage Projects Cost per Gallon		\$1.35
Planned Distribution Projects Cost per Gallon		\$2.99
Planned Reclaimed Water Projects Cost per Gallon		\$1.12
Less Credit for Future Principal Payments		(\$0.22)
Development Fee Study Cost per Gallon		\$0.005
Net Capital Cost per Gallon of Capacity		\$13.32
Planned Noncapacity Projects Cost per Customer		\$46.24
Support Facilities Cost per Customer		\$43.98
Support Vehicles & Equipment Cost per Customer		\$61.76
Net Capital Cost per Customer		\$151.98

A capacity ratio by meter size was used to convert the residential equivalent fee for a 0.75-inch meter into a proportionate fee for larger meter sizes. The capacity ratios by meter size are from the American Water Works Association (AWWA). For a one-inch meter, Avondale will use a conservative, typical-service ratio (see AWWA Manual 1, page 24). For all other meter sizes, Avondale will use ratios that assume 33% of maximum capacity, indexed to 0.75” meter (see AWWA Manual 6). If a large-scale development submits an independent engineering analysis, the Water Development Fee may be based on the net capital cost per gallon of capacity and the annualized average day demand for the particular development

Figure 19: Water Development Fees

Development Fees

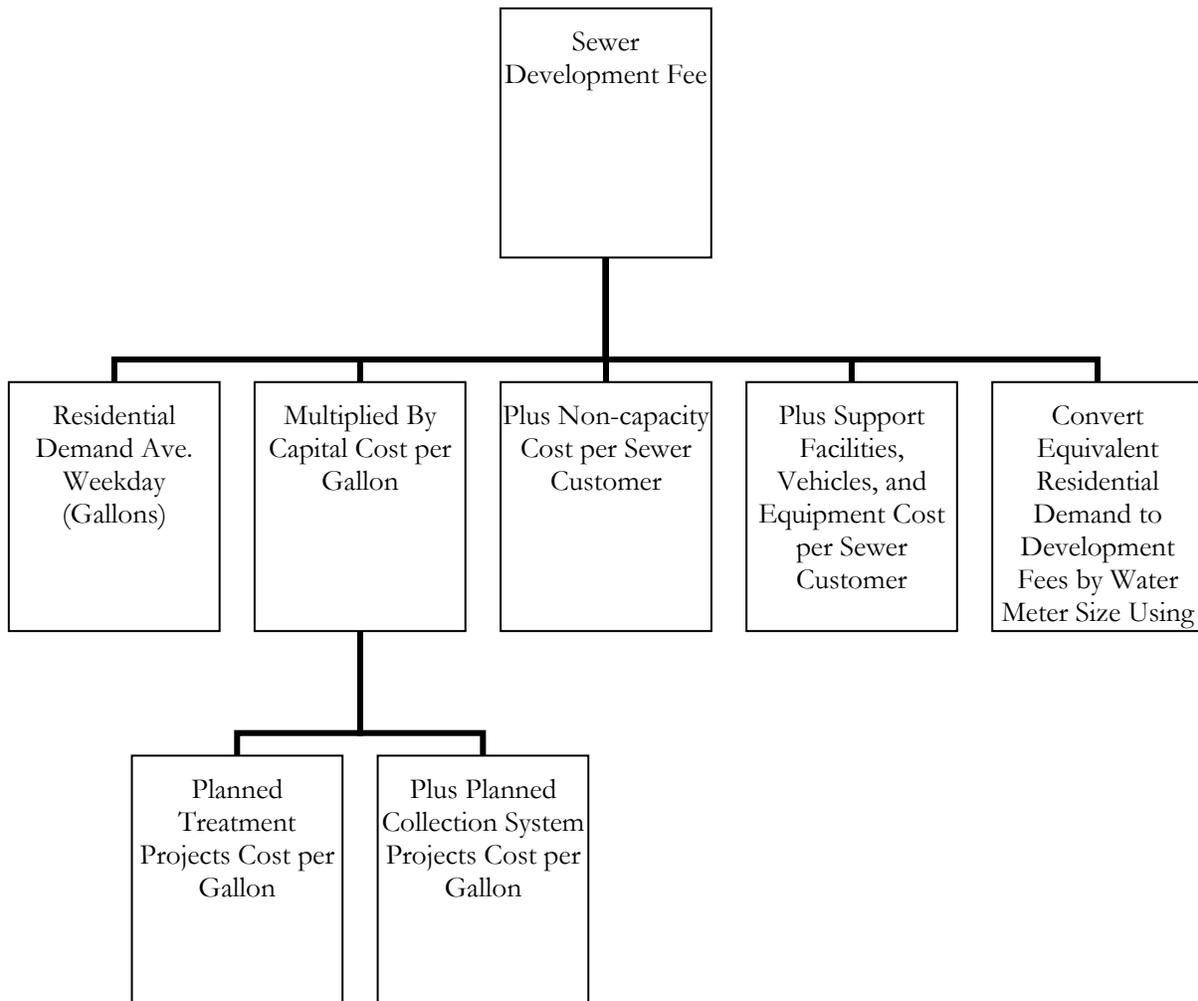
<u>All Development</u>			<i>Capacity</i>	<i>Non-capacity</i>	
<i>Meter Size (inches)</i>	<i>Type</i>	<i>Capacity Ratio</i>	<i>Total</i>	<i>Total</i>	<i>TOTAL</i>
0.75	Displacement	1.0	\$5,099	\$152	\$5,251
1.00	Displacement	1.7	\$8,669	\$164	\$8,833
1.50	Displacement	3.3	\$16,833	\$152	\$16,985
2.00	Displacement	5.3	\$26,915	\$152	\$27,067
3.00	Compound	11.0	\$56,096	\$152	\$56,248
4.00	Compound	17.0	\$86,648	\$152	\$86,800

Sewer

METHODOLOGY

The Sewer Development Fee is composed of three plan-based components that include the cost of treatment projects, collection system projects, and noncapacity projects. The fee also includes a component for support facilities, vehicles, and equipment that is calculated on a per customer basis using the incremental expansion methodology. As shown in Figure 20, the net capital cost per gallon of capacity for the planned projects is multiplied by the average daily residential demand in Avondale. The cost of noncapacity components per customer is then added to net capital cost per gallon. Fees for meters larger than 0.75 inches are derived from capacity ratios published by the American Water Works Association (AWWA).

Figure 20: Sewer Development Fee Methodology Chart



SEWER DEMAND

Figure 21 shows average daily sewer demand for residential and nonresidential development based on City billing records.

Figure 21: Daily Residential and Nonresidential Sewer Demand

	<i>Gallons/Day*</i>	<i>Customers*</i>	<i>Gallons/ Customer</i>
Residential	5,013,989	19,210	261
Nonresidential	799,142	429	1,863

* Avondale utility billing records through June 30, 2006.

TischlerBise derived the following factors to project the future number of sewer customers and sewer demand. These factors are derived using data from Figure 21 above and the current demographic estimates from Appendix A at the back of the report.

Figure 22: Residential and Nonresidential Sewer Projection Factors

Gallons per Residential Customer	261
Persons Per Household	3.35
Gallons per Person	78
Percentage of Future Housing Units as Sewer Customers	100%
Gallons from Nonresidential Development	799,142
Jobs	7,561
Gallons per Job	106
Nonresidential Customers	429
Jobs per Nonresidential Customer	18

Future projections of sewer customers and usage are shown in Figure 23 below. These projections are derived using the data from Figure 22 and the development projections from Appendix A at the back of the report.

Figure 23: Projected Sewer Demand

Fiscal Year =>	5 Year Intervals				
	2007	2012	2017	2022	2027
Housing Units	24,146	29,809	35,472	41,135	41,135
Residential Sewer Customers	19,210	24,873	30,536	36,199	36,199
Gallons per Residential Sewer Customer	261	261	261	261	261
Gallons per Day from Residential Development	5,013,989	6,492,085	7,970,181	9,448,276	9,448,276
Jobs	7,561	14,772	24,050	35,285	35,285
Jobs per Nonresidential Sewer Customer	18	18	18	18	18
Nonresidential Sewer Customers	429	838	1,365	2,002	2,002
Gallons per Nonresidential Sewer Customer	1,863	1,863	1,863	1,863	1,863
Gallons per Day from Nonresidential Development	799,142	1,561,255	2,541,939	3,729,367	3,729,367
Total Gallons per Day	5,813,132	8,053,340	10,512,120	13,177,643	13,177,643
Total Customers	19,639	25,711	31,901	38,201	38,201

PLANNED TREATMENT PROJECTS

Figure 24 lists the City’s planned sewer treatment projects. The projects listed at the top of Figure 24 are the result of new development only. The total capacity of the projects is used to calculate the cost per gallon for these projects. The development fees will be used to fund these projects. The projects shown at the bottom of Figure 24 are the result of both new and existing development. Thus the total sewer demand in FY2011 (which includes both new and existing development) is used to calculate the cost per gallon. New growth will pay for its share of these projects via the Sewer Development Fee while existing growth’s share will have to be funded from non-development fee sources.

Sewer Treatment Projects – Cost Analysis

The planned projects listed under the marginal approach will cost \$19.54 per gallon. The planned projects listed under the average approach will cost \$0.23 per gallon. The total cost per gallon for the planned treatment projects is \$19.78 ($\$19.54 + \$0.23 = \19.78).

Figure 24: Planned Treatment Projects

MARGINAL APPROACH

<i>Project</i>	<i>TOTAL</i>
WWTP Phase II Expansion	\$50,816,737
Gallons of Capacity	2,600,000
Cost per Gallon	\$19.54

Source: PCL Construction, Inc., General Estimate Summary Avondale WRF Phase 1 Preliminary Cost Model.

AVERAGE APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Grease Digester	\$0	\$0	\$0	\$0	\$1,750,000	\$1,750,000

Total Number of Gallons FY2011 7,587,813

Cost per Gallon \$0.23

TOTAL COST PER GALLON FOR PLANNED TREATMENT PROJECTS \$19.78

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

PLANNED COLLECTION PROJECTS

The planned sewer collection projects in Figure 25 are the result of both new and existing development. Thus the total sewer demand in FY2011 (which includes both new and existing development) is used to calculate the cost per gallon. New growth will pay for its share of these projects via the Sewer Development Fee while existing growth's share will have to be funded from non-development fee sources.

Sewer Collection Projects – Cost Analysis

The total cost per gallon for the planned sewer collection projects is \$0.89.

Figure 25: Planned Collection Projects

AVERAGE APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
City Wide Sewer Improvements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Sewer Line Replacement Central Ave - Hill to VanBuren	\$0	\$0	\$1,300,000	\$0	\$0	\$1,300,000
Avondale Blvd. - McDowell to I-10 Connection	\$50,000	\$0	\$0	\$0	\$0	\$50,000
4th Street Lift Station Odor Control System	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
4th St Lift Station Back-up Force Main	\$1,600,000	\$0	\$0	\$0	\$0	\$1,600,000
10th St Lift Station Back-up Force Main	\$110,000	\$175,000	\$950,000	\$0	\$0	\$1,235,000
Roosevelt Sewerline	\$157,000	\$0	\$0	\$0	\$0	\$157,000
Collection System Gas Mitigation	\$275,000	\$150,000	\$150,000	\$150,000	\$150,000	\$875,000

TOTAL \$6,717,000

Total Number of Gallons FY2011 7,587,813

Cost per Gallon \$0.89

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

PLANNED NONCAPACITY PROJECTS

Figure 26 lists the City’s planned sewer noncapacity projects from the CIP. Because these projects do not add capacity to the sewer system, sewer customers are a better measure of demand and proportionality for these projects instead of gallons. The projects shown in Figure 26 are the result of both new and existing development. Thus the total number of sewer customers in FY2011 (which includes both new and existing development) is used to calculate the cost per customer. New growth will pay for its share of these projects via the Sewer Development Fee while existing growth’s share will have to be funded from non-development fee sources.

Sewer Noncapacity Projects – Cost Analysis

The planned noncapacity projects listed under the average approach will cost \$29.93 per sewer customer.

Figure 26: Planned Noncapacity Projects

AVERAGE APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Wastewater Security	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
Sewer Collection System Master Plan	\$133,000	\$0	\$0	\$0	\$0	\$133,000

TOTAL \$733,000

Total Number of Sewer Customers FY2011 24,487

Cost per Customer \$29.93

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011.

SEWER SUPPORT FACILITIES

The buy-in methodology is used to calculate the sewer support facilities component of the Sewer Development Fee. The first step of this analysis determines the LOS that will be provided when the facilities are at capacity. The second step involves determining the cost per customer to provide this LOS.

Sewer Support Facilities – LOS Analysis

The City currently has a total of 4,808 square feet of sewer support facilities. The City estimates these facilities as a whole will provide capacity through FY2012, thus the FY2012 projection of sewer customers of 25,711 is used in the calculation. The buy-in sewer support facilities LOS is calculated as follows: 4,808 square feet/25,711 sewer customers in FY2012 = 0.19 square feet per customer.

Figure 27: Sewer Support Facilities LOS Standards

	<i>Square Feet</i>
<i>Buildings</i>	
Sewer Administration	4,808
TOTAL	4,808
<i>Demand Units FY2012</i>	
Sewer customers	25,711
<i>LOS</i>	
Square feet per customer	0.19

Sewer Support Facilities – Cost Analysis

The original cost of the 4,808 square feet of sewer support facilities was \$197 per square foot. This results in a cost factor of \$36.84 per customer. This is calculated by multiplying the buy-in LOS of 0.19 square feet per customer by \$197 per square foot (0.19 x \$197 = \$36.84).

Figure 28: Sewer Support Facilities Cost Standards

<i>LOS</i>	
Square feet per customer	0.19
<i>Cost Factor</i>	
Original Cost per Square Foot	\$197
<i>Cost</i>	
Per Customer	\$36.84

* Avondale Field Operations Department based construction cost of Municipal Operations Center.

SEWER SUPPORT VEHICLES & EQUIPMENT

The incremental expansion methodology is used to calculate the support vehicles and equipment component of the Sewer Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per sewer customer to provide this LOS.

Sewer Support Vehicles & Equipment – LOS Analysis

Figure 29 lists the current fleet of vehicles and equipment used to support the City’s sewer infrastructure. The current LOS is calculated as follows: 9 vehicles/19,639 sewer customers = 0.0005 vehicles per customer.

Figure 29: Sewer Support Vehicles & Equipment LOS Standards

<i>Division/Vehicles</i>	<i># of Units</i>
Sewer	
Gator w/ Cab	1
Pickup Truck	5
Generator	1
Jet Vac	1
Sewer Cleaner	1
TOTAL	9
<i>Demand Units FY2007</i>	
Sewer customers	19,639
<i>LOS</i>	
Vehicles/equipment per customer	0.0005

Sewer Support Vehicles & Equipment – Cost Analysis

The City’s Fleet Service Division estimates the current fleet of sewer related vehicles and equipment to have a total value of \$609,000, an average of \$67,667 per unit (\$609,000/9 units = \$67,667). This results in a cost factor of \$31.01 per customer. This is calculated by multiplying the current LOS of 0.0005 vehicles per customer by \$67,667 per unit (0.0005 x \$67,667 = \$31.01).

Figure 30: Sewer Support Vehicles & Equipment Cost Standards

<i>Division/Vehicles</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Sewer			
Gator w/ Cab	1	\$8,000	\$8,000
Pickup Truck	5	\$25,200	\$126,000
Generator	1	\$50,000	\$50,000
Jet Vac	1	\$200,000	\$200,000
Sewer Cleaner	1	\$225,000	\$225,000
TOTAL	9		\$609,000

Average Cost per Vehicle/Equipment => \$67,667

LOS

Vehicles/equipment per customer 0.0005

Cost Factor

Average Cost per Vehicle/Equipment \$67,667

Cost

Per Customer \$31.01

* Avondale Fleet Services Division.

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Sewer Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$15,300) is allocated to the projected increase in gallons over the next three years. This results in a development fee study cost per demand unit of \$0.01 per gallon (\$15,300/1,317,897 gallons).

SEWER DEVELOPMENT FEE

Figure 31 provides a summary of the variables used to calculate the Sewer Development Fee. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Sewer Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

Figure 31: Sewer Development Fee Cost Summary

<i>Cost Summary</i>		<i>Standards:</i>
Gallons per Day per Residential Connection		261
Planned Treatment Projects Cost per Gallon		\$19.78
Planned Collection System Projects Cost per Gallon		\$0.89
Development Fee Study Cost per Gallon		\$0.01
Net Capital Cost per Gallon of Capacity		\$20.67
Planned Noncapacity Projects Cost per Customer		\$29.93
Support Facilities Cost per Customer		\$36.84
Support Vehicles & Equipment Cost per Customer		\$31.01
Net Capital Cost per Customer		\$97.78

A capacity ratio by meter size was used to convert the residential equivalent fee for a 0.75-inch meter into a proportionate fee for larger meter sizes. The capacity ratios by meter size are from the American Water Works Association (AWWA). For a one-inch meter, Avondale will use a conservative, typical-service ratio (see AWWA Manual 1, page 24). For all other meter sizes, Avondale will use ratios that assume 33% of maximum capacity, indexed to 0.75” meter (see AWWA Manual 6). If a large-scale development submits an independent engineering analysis, the Sewer Development Fee may be based on the net capital cost per gallon of capacity and the annualized average day demand for the particular development

Figure 32: Sewer Development Fees

Development Fees

<u>All Development</u>			<i>Capacity</i>	<i>Non-capacity</i>	
<i>Meter Size (inches)</i>	<i>Type</i>	<i>Capacity Ratio</i>	<i>Total</i>	<i>Total</i>	<i>TOTAL</i>
0.75	Displacement	1.0	\$5,395	\$98	\$5,493
1.00	Displacement	1.7	\$9,172	\$98	\$9,270
1.50	Displacement	3.3	\$17,810	\$98	\$17,908
2.00	Displacement	5.3	\$28,477	\$98	\$28,575
3.00	Compound	11.0	\$59,352	\$98	\$59,450
4.00	Compound	17.0	\$91,676	\$98	\$91,774

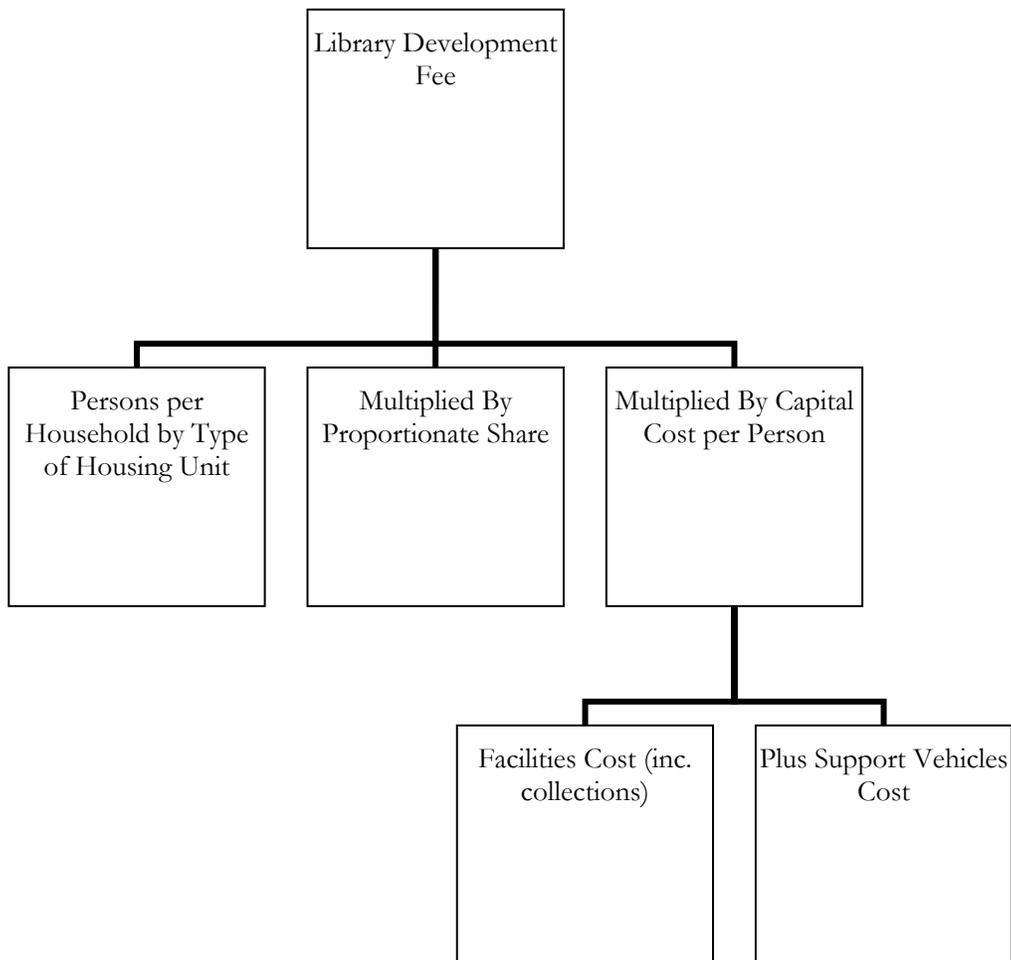
Libraries

METHODOLOGY

Capital costs for the Library Development Fee have been allocated to only residential development and standards are shown on a per capita basis. Average household size is used to differentiate the development fees by type of housing (see Appendix A for demographic information).

The Library Development Fee includes components for library facilities (including collections), and support vehicles. The plan-based methodology is used for facilities based on the planned level-of-service the City will provide at build out. The incremental expansion methodology is used to calculate the current LOS associated with the current fleet of Library support vehicles.

Figure 33: Library Development Fee Methodology Chart



LIBRARY FACILITIES

The plan-based methodology is used to calculate the library facilities component of the Library Development Fee. The first step of this analysis determines the LOS that will be provided when the

facilities are at capacity when the City reaches residential build out. The second step involves determining the cost per person to provide this planned LOS.

Library Facilities – Planned LOS Analysis

The City plans to provide a total of 43,000 square feet of library facilities at the time the City reaches build out. Residential development creates 100% of the demand for library facilities. The City projects these facilities as a whole will provide capacity through build out, thus the build out population projection of 129,189 persons is used in the calculation. The planned library facilities LOS is calculated as follows: 43,000 square feet/129,189 persons at build out = 0.33 square feet per person.

Figure 34: Library Facilities Planned LOS Standards

	<i>Square Feet</i>
Planned Old Town Library (after expansion)	12,000
Civic Center Library	31,000
TOTAL	43,000
 <i>Proportion Share</i>	
Residential	100%
 <i>Demand Units at Buildout</i>	
Population	129,189
 <i>LOS</i>	
Residential - square feet per person	0.33

Library Facilities – Cost Analysis

The total cost of the 43,000 square feet of library facilities is projected to total \$12,852,678; an average of \$299 per square foot. This cost includes land, construction, collections, and financing costs of the Civic Center Library. The City intends to repay new growth’s share of the financing costs with proceeds from the Library Development Fees, thus it is appropriate to include these costs. This results in a cost factor of \$99.49 per person. This is calculated by multiplying the buy-in LOS of 0.33 square feet per person by \$299 per square foot (0.33 x \$299 = \$99.49).

Figure 35: Library Facilities Cost Standards

	<i>Square Feet</i>	<i>Cost</i>
Old Town Library*	12,000	\$3,925,000
Civic Center Library**	31,000	\$6,332,162
Financing Costs To Be Repaid With DIF's**		\$2,595,516
TOTAL	43,000	\$12,852,678

Average Cost per Square Foot => \$299

LOS

Residential - square feet per person 0.33

Cost Factor

Average Cost per Square Foot \$299

Cost

Per Person \$99.49

* City of Avondale, *Capital Improvements Plan*, Fiscal Years 2007-2011.

Includes planned collection purchases.

** City of Avondale Finance Department. Includes collection purchases.

SUPPORT VEHICLES

The incremental expansion methodology is used to calculate the support vehicles component of the Library Development Fee. The first step of this analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person to provide this LOS.

Support Vehicles– LOS Analysis

Figure 36 lists the City’s current fleet of 1 vehicle being used to support libraries. The current vehicles LOS is calculated as follows: 1 unit/75,834 persons =0.00001 units per person.

Figure 36: Support Vehicles LOS Standards

SUV	# of Units	1
<i>Proportionate Share</i>		
Residential		100%
<i>Demand Units FY2007</i>		
Population		75,834
<i>LOS</i>		
Vehicles per person		0.00001

Support Vehicles– Cost Analysis

The City’s Fleet Services Division estimates the current inventory of vehicles to have a total value of \$23,000, an average of \$23,000 per unit. The cost per person is calculated by multiplying the current LOS of 0.00001 units of vehicles per person by \$23,000 per vehicles which results in a cost factor of \$0.30 per person.

Figure 37: Support Vehicles Cost Standards

	# of Units	Cost/ Unit*	TOTAL
SUV	1	\$23,000	\$23,000
TOTAL	1		\$23,000
Average Cost per Vehicle =>			\$23,000
<i>LOS</i>			
Vehicles per person			0.00001
<i>Cost Factor</i>			
Average Cost per Vehicle			\$23,000
<i>Cost</i>			
Per Person			\$0.30

* Avondale Fleet Services Division.

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Library Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$7,900) is allocated to the projected increase in population over the next three years. This results in a development fee study cost per demand unit of \$0.73 per person (\$7,900/10,671 people).

LIBRARY DEVELOPMENT FEE

Figure 38 provides a summary of the cost factors used to calculate the Library Development Fee. As discussed previously, these development fees are calculated for residential land uses only. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Library Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown at the bottom of Figure 38, the capital cost per person unit is \$100.52 per person.

Figure 38: Library Development Fee Cost Summary

	<i>Persons Per Household</i>
Single Family Detached	3.45
Single Family Attached/Multi-Family	2.71
All Other Housing Types	3.48
	<i>Cost per Capita</i>
Library Facilities and Collections	\$99.49
Vehicles	\$0.30
Development Fee Study	\$0.73
NET CAPITAL COST PER PERSON	\$100.52

Figure 39 contains a schedule of Library Development Fees for Avondale. For residential land uses, persons per household are multiplied by the net capital cost per person. Using single family detached units as an example, 3.45 persons per household times \$100.52 equals \$346 per single family detached housing unit.

Figure 39: Library Development Fee Schedule

<i>Development Fees</i>	<i>Facilities</i>	<i>Vehicles</i>	<i>Dev Fee</i>	
			<i>Study</i>	<i>TOTAL</i>
Single Family Detached	\$343	\$1	\$3	\$346
Single Family Attached/Multi-Family	\$270	\$1	\$2	\$273
All Other Housing Types	\$346	\$1	\$3	\$350

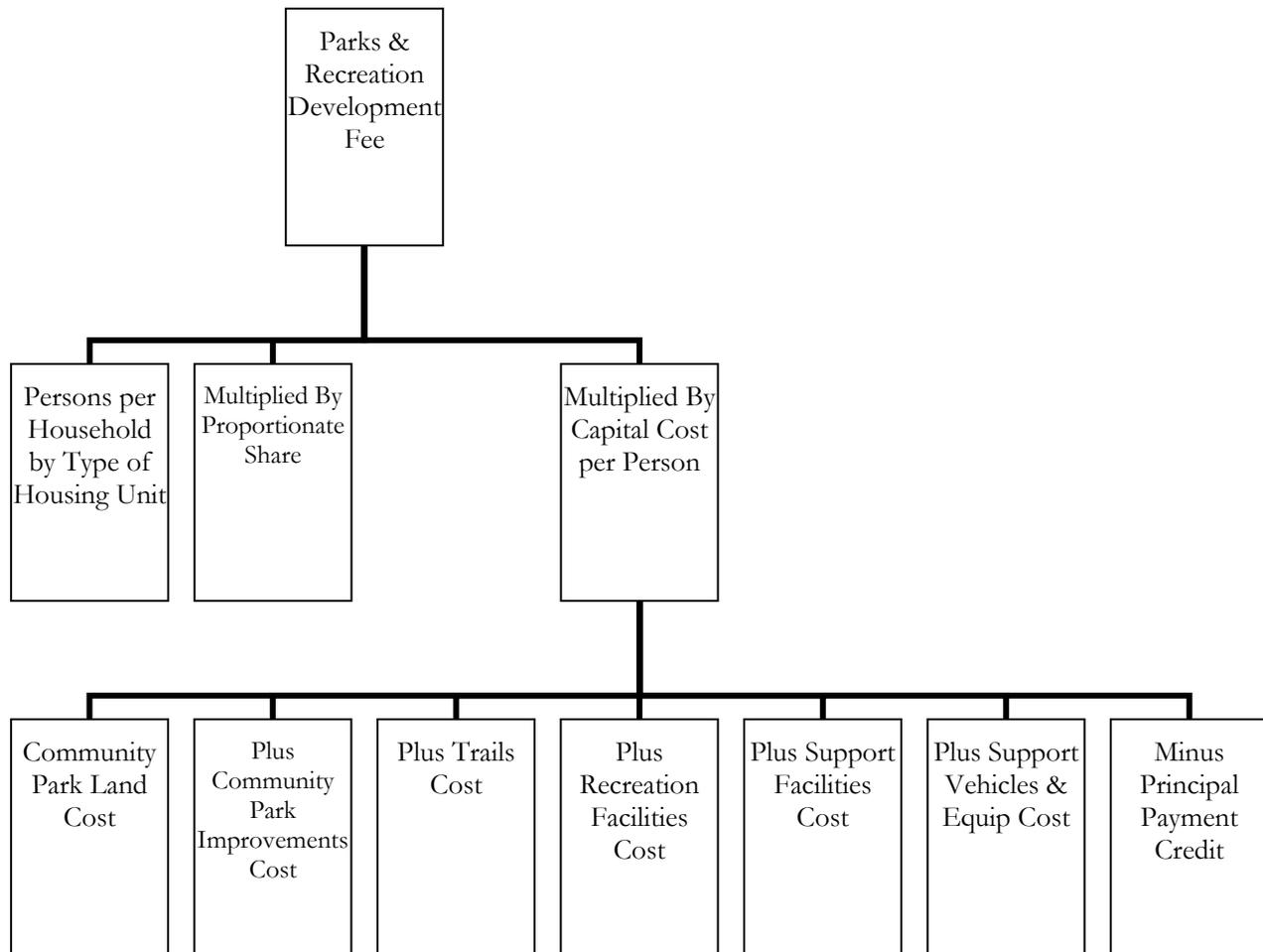
Parks & Recreation

METHODOLOGY

The components of this fee include land and improvements for community parks, trails, recreation facilities, support facilities, and support vehicles and equipment. The plan-based methodology is used in calculating the trails component of this fee, while the buy-in methodology is used for support facilities. The incremental expansion methodology is used for community parks, recreation facilities, and support vehicles and equipment. A credit for future principal payments for parks and recreation-related debt is included to avoid potential double payment.

All capital costs are allocated to only residential development and standards have been shown on a per capita basis. Average household size is used to differentiate the development fees by type of housing (see Appendix A for demographic information). All components included in this development fee are assumed to have a City wide service area.

Figure 40: Parks & Recreation Development Fee Methodology Chart



COMMUNITY PARKLAND

The incremental expansion methodology is used to calculate the community parkland component of the Parks & Recreation Development Fee. Neighborhood parks are not included in this component since they have limited geographic benefit areas. The parks included in this fee have citywide benefits as a result of their size, amenities, and programming.

The first step of calculating the incremental expansion methodology measures the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person to provide this LOS.

Community Parkland – LOS Analysis

The City currently has 229 acres of community parkland serving the current population of 75,834 persons. Residential development creates 100% of the demand for community parkland, thus a

residential proportionate share factor of 100% is used. The current community parkland LOS is calculated as follows: $(229 \text{ acres} \times 100\%) / 75,834 \text{ persons} = 0.003 \text{ acres per person}$.

Figure 41: Community Parkland LOS Standards

	<i>Acres</i>
Cal-Mat Property	40
Civic Center	12
Coldwater	22
Friendship Park	55
Festival Fields	85
Pendergast	15
TOTAL	229
<i>Proportion Share</i>	
Residential	100%
<i>Demand Units FY2007</i>	
Population	75,834
<i>LOS</i>	
Residential - acres per person	0.003

Community Parkland – Cost Analysis

The City Parks and Recreation Department estimates current community parkland to cost \$175,000 an acre. The resulting cost factor per person is \$528.46 for community parkland. This is calculated by multiplying the current LOS of 0.0003 acres per person by \$175,000 per acre ($0.0003 \times \$175,000 = \528.46).

Figure 42: Community Parkland Cost Standards

<i>LOS</i>	Residential - square feet per person	0.003
<i>Cost Factor</i>	Average Cost per Acre*	\$175,000
<i>Cost</i>	Per Person	\$528.46

* Avondale Parks and Recreation.

COMMUNITY PARK IMPROVEMENTS

The incremental expansion methodology is used to calculate the community park improvements component of the Parks & Recreation Development Fee. The parks included in this fee have citywide benefits as a result of their size, amenities, and programming.

The first step of calculating the incremental expansion methodology measures the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person to provide this LOS.

Community Park Improvements – LOS Analysis

Figure 43 lists the City’s current inventory of 28,428 units of community park improvements serving the current population of 75,834 persons. Residential development creates 100% of the demand for community park improvements, thus a residential proportionate share factor of 100% is used. The current community park improvements LOS is calculated as follows: $(28,428 \text{ units} \times 100\%) / 75,834 \text{ persons} = 0.37 \text{ units per person}$.

Figure 43: Community Park Improvements LOS Standards

	<i># of Units</i>
Ball Fields with Lights and Irrigation	5
Soccer Fields with Lights and Irrigation	10
Basketball Court with Lights	2
Tennis Courts with Lights	2
Turf Volleyball	2
Play Equipment	2
Ramada	2
Restroom	1
Concession	1
Dog Park	1
Walking Path (square feet)	26,400
Parking Spaces	2,000
TOTAL	28,428
<i>Proportion Share</i>	
Residential	100%
<i>Demand Units FY2007</i>	
Population	75,834
<i>LOS</i>	
Residential - improvements per person	0.37

Community Parkland – Cost Analysis

The City’s Parks & Recreation Department estimates the current inventory of community park improvements to have a total value of \$8,305,200, an average of \$292 per unit (\$8,305,200/28,428 units = \$292). The cost per person is calculated by multiplying the current LOS of 0.37 community park improvements per person by \$292 per improvement which results in a cost factor of \$109.52 per person.

Figure 44: Community Park Improvements Cost Standards

	# of Units	Cost/ Unit*	TOTAL
Ball Fields with Lights and Irrigation	5	\$30,000	\$150,000
Soccer Fields with Lights and Irrigation	10	\$275,000	\$2,750,000
Basketball Court with Lights	2	\$100,000	\$200,000
Tennis Courts with Lights	2	\$100,000	\$200,000
Turf Volleyball	2	\$5,000	\$10,000
Play Equipment	2	\$125,000	\$250,000
Ramada	2	\$75,000	\$150,000
Restroom	1	\$300,000	\$300,000
Concession	1	\$300,000	\$300,000
Dog Park	1	\$250,000	\$250,000
Walking Path (square feet)	26,400	\$5.50	\$145,200
Parking Spaces	2,000	\$1,800	\$3,600,000
TOTAL	28,428		\$8,305,200

Average Cost per Improvement => \$292

LOS

Residential - improvements per person 0.37

Cost Factor

Average Cost per Improvement \$292

Cost

Per Person \$109.52

* Avondale Parks and Recreation.

TRAILS

The plan-based expansion methodology is used to calculate the trails component of the Parks & Recreation Development Fee.

Trails – Cost Analysis

The City’ plans to spend a total of \$5,440,000 over the next five years for trails. The Parks & Recreation Department estimate these purchases will provide sufficient capacity through build out, thus the projected build out population is used in the calculation. The cost per person is calculated by dividing the planned cost of \$5,440,000 by 129,189 persons at build out which results in a cost factor of \$42.11 per person.

Figure 45: Trails Cost Standards

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
West Valley Corridor/Multi-Modal Trail System	\$1,190,000	\$600,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,790,000
Agua Fria Restoration	\$650,000	\$0	\$0	\$0	\$0	\$650,000
TOTAL	\$1,840,000	\$600,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,440,000

Source: City of Avondale *Capital Improvements Plan*, Fiscal Years 2007-2011.

<i>Proportionate Share</i>		
Residential		100%
<i>Demand Units at Build Out</i>		
Population		129,189
<i>Cost</i>		
Per Person		\$42.11

RECREATION FACILITIES

The incremental expansion methodology is used to calculate the recreation facilities component of the Parks & Recreation Development Fee. The first step of calculating the incremental expansion methodology measures the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person to provide this LOS.

Recreation Facilities – LOS Analysis

The City currently has 14,640 square feet of recreation facilities. Residential development generates 100% of the demand for recreation facilities, thus a residential proportionate share factor of 100% is used to measure the demand of additional residential development in the City. The current population of 75,834 persons is used in the calculation. The current recreation facilities LOS is calculated as follows: (14,460 square feet x 100%)/75,834 persons = 0.19 square feet per person.

Figure 46: Recreation Facilities LOS Standards

	<i>Square Feet</i>
Avondale Community Center	11,640
Cashion Community Center	3,000
TOTAL	14,640
<i>Proportion Share</i>	
Residential	100%
<i>Demand Units FY2007</i>	
Population	75,834
<i>LOS</i>	
Residential - square feet per person	0.19

Recreation Facilities – Cost Analysis

To provide additional recreation facilities to new residential development, comparable recreation facilities are estimated to cost \$333 per square foot based the planned community center project in the City’s Capital Improvement Plan (CIP). This results in a cost factor of \$64.35 per person. This is calculated by multiplying the current LOS of 0.19 square feet per person by \$333 per square foot (0.19 x \$333 = \$64.35).

Figure 47: Recreation Facilities Cost Standards

<i>LOS</i>	
Residential - square feet per person	0.19
<i>Cost Factor</i>	
Cost per Square Foot*	\$333
<i>Cost</i>	
Per Person	\$64.35

* Avondale Park and Recreation Department based on planned community center in CIP.

SUPPORT FACILITIES

The buy-in methodology is used to calculate the support facilities component of the Parks & Recreation Development Fee. The first step of this analysis determines the LOS that will be

provided when the facilities are at capacity. The second step involves determining the cost per person to provide this LOS.

Support Facilities – LOS Analysis

The City currently has a total of 2,325 square feet of support facilities for parks and recreation at the Municipal Operations Center. Residential development creates 100% of the demand for these facilities. The City estimates these facilities will provide capacity through FY2012, thus the FY2012 population projection of 93,619 persons is used in the calculation. The buy-in support facilities LOS is calculated as follows: 2,325 square feet/93,619 persons in FY2012 = 0.02 square feet per person.

Figure 48: Support Facilities LOS Standards

	<i>Square Feet</i>
Municipal Operations - Grounds Maintenance	2,325
<i>Proportion Share</i>	
Residential	100%
<i>Demand Units FY2012</i>	
Population	93,619
<i>LOS</i>	
Residential - square feet per person	0.02

Support Facilities – Cost Analysis

The original cost per square foot for the Municipal Operations Center was \$197. This results in a cost factor of \$4.89 per person. This is calculated by multiplying the buy-in LOS of 0.02 square feet per person by \$197 per square foot (0.02 x \$197 = \$4.89).

Figure 49: Support Facilities Cost Standards

<i>LOS</i>	Residential - square feet per person	0.02
<i>Cost Factor</i>	Original Cost per Square Foot*	\$197
<i>Cost</i>	Per Person	\$4.89

* Avondale Field Operations Department based on cost of Municipal Operations Center.

SUPPORT VEHICLES & EQUIPMENT

As new growth requires additional parks and recreation facilities, additional support vehicles and equipment will be needed. The incremental expansion methodology is used to calculate this component of the fee. The first step of this analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person to provide this LOS.

Support Vehicles & Equipment – LOS Analysis

Figure 50 lists the City’s current fleet of 41 vehicles and pieces of equipment being used to support parks and recreation activities. Residential development in the City creates 100% of the demand for these assets, thus a residential proportionate share factor of 100% is used. The current vehicles and equipment LOS is calculated as follows: $(41 \text{ units} \times 100\%) / 75,834 \text{ persons} = 0.0005 \text{ units per person}$.

Figure 50: Support Vehicle & Equipment LOS Standards

<i>Vehicles/Equipment</i>	<i># of Units</i>
Gator	2
Trailer	4
Club Car	2
Mower	1
Ditch Witch	1
Thatcher	1
Bunker Rake	1
Light Tower	2
Tractor	1
Mower	1
Groomer	1
Riding Mower	2
Mower	1
Deck Mower	1
Van	3
Utility Truck	1
Pickup Truck	7
Groundskeeper	1
Gang Mower	1
Mower	5
Mower	1
Backhoe	1
TOTAL	41
<i>Proportionate Share</i>	
Residential	100%
<i>Demand Units FY2007</i>	
Population	75,834
<i>LOS</i>	
Residential - equipment per person	0.0005

Support Vehicles & Equipment – Cost Analysis

The City’s Parks & Recreation Department estimates the current inventory of vehicles and equipment to have a total value of \$665,800, an average of \$16,239 per unit (\$665,800/41 units = \$16,239). The cost per person is calculated by multiplying the current LOS of 0.0005 units of vehicles and equipment per person by \$16,239 per unit which results in a cost factor of \$8.78 per person.

Figure 51: Support Vehicles & Equipment Cost Standards

<i>Division/Vehicles</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Gator	2	\$8,500	\$17,000
Trailer	4	\$1,600	\$6,400
Club Car	2	\$6,000	\$12,000
Mower	1	\$6,200	\$6,200
Ditch Witch	1	\$7,000	\$7,000
Thatcher	1	\$7,500	\$7,500
Bunker Rake	1	\$10,000	\$10,000
Light Tower	2	\$10,000	\$20,000
Tractor	1	\$24,000	\$24,000
Mower	1	\$10,200	\$10,200
Groomer	1	\$12,000	\$12,000
Riding Mower	2	\$12,800	\$25,600
Mower	1	\$14,500	\$14,500
Deck Mower	1	\$17,500	\$17,500
Van	3	\$18,000	\$54,000
Utility Truck	1	\$20,000	\$20,000
Pickup Truck	7	\$26,700	\$186,900
Groundsmanager	1	\$35,000	\$35,000
Gang Mower	1	\$40,000	\$40,000
Mower	5	\$16,000	\$80,000
Mower	1	\$10,000	\$10,000
Backhoe	1	\$50,000	\$50,000
TOTAL	41		\$665,800

Average Cost per Piece of Equipment => \$16,239

LOS

Residential - equipment per person 0.0005

Cost Factor

Average Cost per Piece of Equipment \$16,239

Cost

Per Person \$8.78

* Avondale Fleet Services Division.

PRINCIPAL PAYMENT CREDITS

Avondale is making payments on General Obligation (G.O.) bonds that financed parks and recreation facilities. To avoid potential double payment for these facilities, a principal payment credit is shown in Figure 52. Because interest costs have not been added to the development fees, a

credit is not necessary for future interest payments. Due to the time value of future payments, a net present value adjustment is used in the calculation of the credit. The credit is calculated to be \$33.29 per capita on a net present value basis.

Figure 52: Principal Payment Credits

<i>Fiscal Year</i>	<i>Series 2003A</i>	<i>Series 1998</i>	<i>TOTAL</i>	<i>Projected Population</i>	<i>Credit per Person</i>
	<i>Principal Payments</i>	<i>Principal Payments</i>			
2007	\$62,100	\$230,000	\$292,100	75,834	\$3.85
2008	\$63,342	\$240,000	\$303,342	79,391	\$3.82
2009	\$64,584	\$245,000	\$309,584	82,948	\$3.73
2010	\$67,068	\$255,000	\$322,068	86,505	\$3.72
2011	\$69,552	\$270,000	\$339,552	90,062	\$3.77
2012	\$73,278	\$280,000	\$353,278	93,619	\$3.77
2013	\$77,004	\$295,000	\$372,004	97,176	\$3.83
2014	\$81,972	\$305,000	\$386,972	100,733	\$3.84
2015	\$84,456	\$320,000	\$404,456	104,290	\$3.88
2016	\$0	\$335,000	\$335,000	107,847	\$3.11
2017	\$0	\$350,000	\$350,000	111,404	\$3.14
2018	\$0	\$370,000	\$370,000	114,961	\$3.22
2019	\$0	\$385,000	\$385,000	118,518	\$3.25
Discount Rate					5.50%
Net Present Value					\$33.29

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Parks & Recreation Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. The cost of this component (\$10,700) is allocated to the projected increase in population over the next three years. This results in a development fee study cost per demand unit of \$1.00 per person (\$10,700/10,671 people).

PARKS & RECREATION DEVELOPMENT FEE

Figure 53 provides a summary of the cost factors used to calculate the Parks & Recreation Development Fee. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Parks & Recreation Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements

normally required as part of the development approval process are not eligible for credits against development fees.

As shown at the bottom of Figure 53, the total net capital cost per person is \$725.82.

Figure 53: Parks & Recreation Development Fee Cost Summary

	<i>Persons Per Household</i>
Single Family Detached	3.45
Single Family Attached/Multi-Family	2.71
All Other Housing Types	3.48
	<i>Cost per Capita</i>
Community Parkland	\$528.46
Community Park Improvements	\$109.52
Planned Trails	\$42.11
Recreation Facilities	\$64.35
Support Facilities	\$4.89
Support Vehicles and Equipment	\$8.78
Less Principal Payment Credit	(\$33.29)
Development Fee Study	\$1.00
NET CAPITAL COST PER PERSON	\$725.82

Figure 54 lists the schedule of Parks & Recreation Development Fees for Avondale. The number of persons per household for each category of housing is multiplied by the net capital cost per person. Using the single family detached units as an example, 3.45 persons per household is multiplied by \$725.82 per person which yields a Parks & Recreation Development Fee of \$2,501 per single family detached unit.

Figure 54: Parks & Recreation Development Fee Schedule

<i>Development Fees</i>	<i>Parkland</i>	<i>Park Improve.</i>	<i>Trails</i>	<i>Recreation Facilities</i>	<i>Support Facilities</i>	<i>Support Veh/Equip</i>	<i>Credit</i>	<i>Dev Fee Study</i>	<i>TOTAL</i>
Single Family Detached	\$1,821	\$377	\$145	\$222	\$17	\$30	(\$115)	\$3	\$2,501
Single Family Attached/Multi-Family	\$1,434	\$297	\$114	\$175	\$13	\$24	(\$90)	\$3	\$1,970
All Other Housing Types	\$1,839	\$381	\$147	\$224	\$17	\$31	(\$116)	\$3	\$2,526

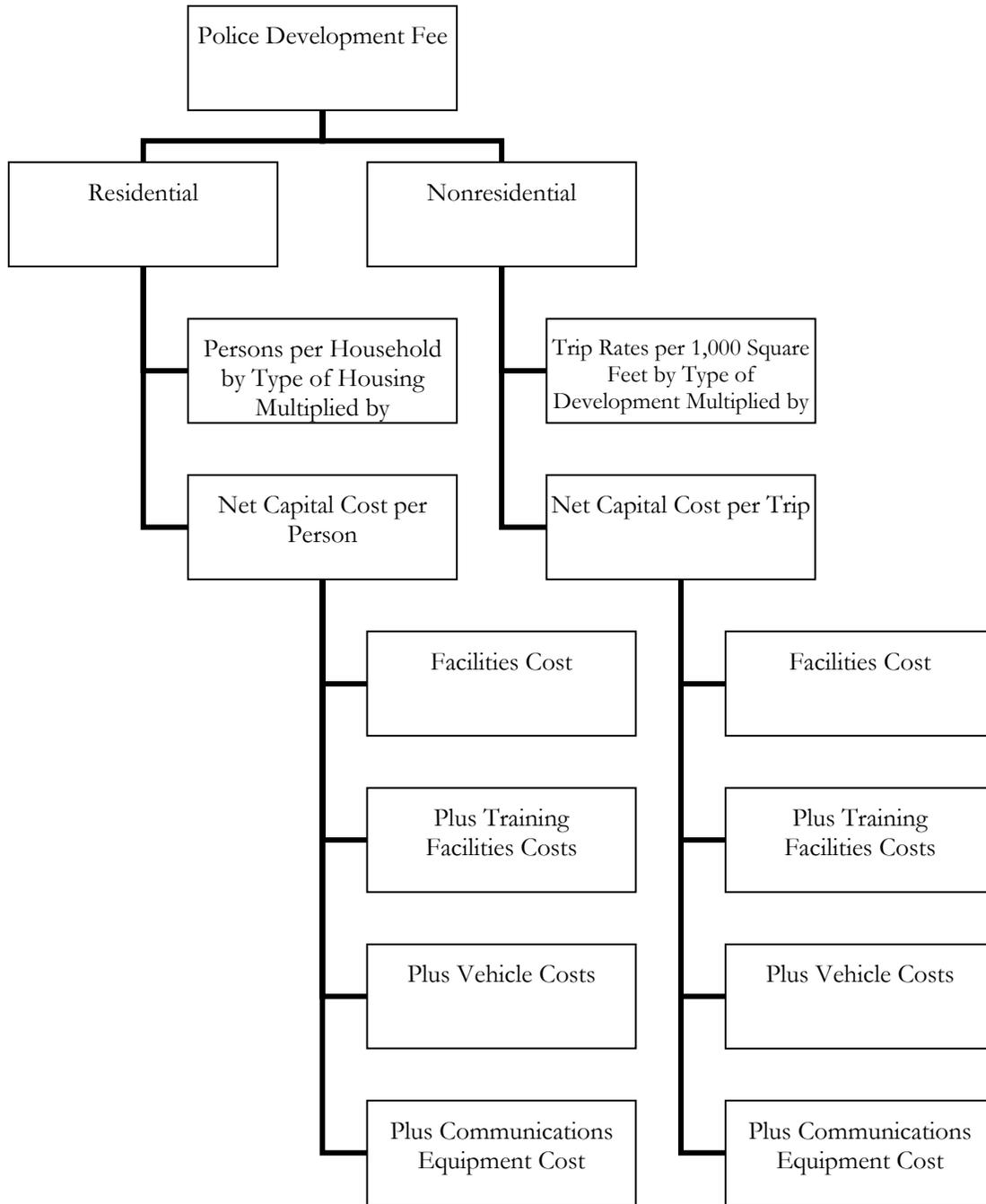
Police

METHODOLOGY

As shown in Figure 55, the Police Development Fee uses different demand indicators for residential and nonresidential development. Residential development fees are calculated on a per capita basis and then converted to an appropriate amount by type of housing based on household size. To calculate nonresidential development fees, nonresidential vehicle trips are the best demand indicator for police facilities as they are the best measure of the presence of people at nonresidential land uses. Trip generation rates are highest for commercial developments, such as shopping centers, and lowest for industrial/warehouse developments. Office/institutional trip rates fall between the other two categories.

The buy-in methodology is used for facilities, while the plan-based methodology is used for training facilities. The incremental expansion methodology is used for vehicles and communications equipment.

Figure 55: Police Development Fee Methodology



PROPORTIONATE SHARE FACTORS

Calls for service data provided by the Police Department are used to determine the relative demand for service from residential and nonresidential development. As shown in Figure 56, the proportionate share factor for residential development is 65%, with nonresidential development

accounting for 35% of the demand for police facilities, vehicles, and communications equipment. Road related calls are omitted because they cannot be allocated to residential or nonresidential development in that a person could be on their way home, or to work, or passing through the City. This should not be interpreted as implying that road-related calls for service have no impact on the Police Department. Calls to unusable addresses were also omitted from this analysis.

Figure 56: Police Proportionate Share Factors

	<i>Calls</i>	<i>%</i>
Residential Addresses	31,375	65%
Nonresidential Addresses	16,710	35%
TOTAL	48,085	100%

Source: Avondale Police Department analysis of 52,190 calls for service between May 1, 2005 thru April 30, 2006. 3,131 calls for service were traffic related with the remaining 974 calls to unusable addresses or outside the Avondale planning boundary.

POLICE FACILITIES

The buy-in methodology is used to calculate the police facilities component of the Police Development Fee. The first step of the analysis determines the level-of-service (LOS) that will be provided when the police facilities are at full capacity. The second step involves determining the cost per person and nonresidential vehicle trip to provide this LOS.

Police Facilities – LOS Analysis

Figure 57 lists the current police facilities which total 39,258 square feet in size. As a whole, the Police Department project these facilities will provide sufficient capacity through FY2009. Based on the proportionate share analysis in Figure 56 above, residential development creates 65% of the demand for police facilities, with nonresidential development accounting for 35% of the demand. The buy-in police facility LOS for residential development is calculated as follows: $((39,258 \text{ square feet} \times 65\%) / 82,948 \text{ persons in FY2009}) = 0.31 \text{ square feet per person}$. This calculation is repeated for nonresidential development resulting in a buy-in LOS of 0.18 square feet per nonresidential vehicle trip.

Figure 57: Police Facilities LOS Standards

<i>Facilities</i>	<i>Square Feet</i>
Main Station	26,258
Substation	13,000
TOTAL	39,258
<i>Proportionate Share</i>	
Residential	65%
Nonresidential	35%
<i>Demand Units FY2009</i>	
Population	82,948
Nonresidential Vehicle Trips	74,355
<i>LOS</i>	
Residential - square feet per person	0.31
Nonresidential - square feet per nonresidential trip	0.18

Police Facilities – Cost Analysis

The original cost of the 39,258 square feet of police facilities was \$8,025,293; an average of \$204 per square foot. This cost includes financing costs associated with the construction of the main station. The City intends to repay new growth’s share of the financing costs with proceeds from the Police Development Fee, thus it is appropriate to include these costs. This results in a cost factor of \$63.13 per person and \$37.51 per nonresidential vehicle trip. For residential development, the cost per person is calculated by multiplying the buy-in LOS of 0.31 square feet per person by \$204 per square foot ($0.31 \times \$204 = \63.13). This calculation is repeated using the LOS for nonresidential development.

Figure 58: Police Facilities Cost Standards

<i>Facilities</i>	<i>Square Feet</i>	<i>Original Cost*</i>
Main Station	26,258	\$5,938,517
Financing Costs To Be Repaid With DIF's**		\$168,588
Substation	13,000	\$1,918,188
TOTAL	39,258	\$8,025,293

Average Cost per Square Foot => \$204

LOS

Residential - square feet per person	0.31
Nonresidential - square feet per nonresidential trip	0.18

Cost Factor

Average Cost per Square Foot	\$204
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Cost

Per Person	\$63.13
Per Nonresidential Trip	\$37.51

* Avondale Police Department.

** Series 2003 MDC Bond Issue.

POLICE TRAINING FACILITY

The plan-based expansion methodology is used to calculate the training facility component of the Police Development Fee.

Police Training Facility – Cost Analysis

The City plans to spend a total of \$1,000,000 over the next five years for a police training facility. The Police Department estimates this facility will provide sufficient capacity through build out, thus the projected number of persons and nonresidential vehicle trips at build out are used in the calculation. Based on the proportionate share analysis in Figure 56 above, residential development creates 65% of the demand for police facilities, with nonresidential development accounting for 35% of the demand. The planned cost for residential development is calculated as follows: $((\$1,000,000 \times 65\%) / 129,189 \text{ persons at build out}) = \5.05 per person . This calculation is repeated for nonresidential development resulting in a cost of \$1.40 per nonresidential vehicle trip.

Figure 59: Police Training Facility Cost Standards

	FY2007	FY2008	FY2009	FY2010	FY2011	TOTAL
Training Facility/Classroom	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000

Source: City of Avondale *Capital Improvements Plan*, Fiscal Years 2007-2011.

Proportionate Share

Residential	65%
Nonresidential	35%

Demand Units at Build Out

Population	129,189
Nonresidential Vehicle Trips	248,781

Cost

Per Person	\$5.05
Nonresidential Vehicle Trips	\$1.40

POLICE VEHICLES

The incremental expansion methodology is used to calculate the police vehicles component of the Police Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and nonresidential vehicle trip to provide this LOS.

Police Vehicles – LOS Analysis

Figure 60 lists the current fleet of 75 police vehicles. Based on the proportionate share analysis in Figure 56 above, residential development creates 65% of the demand for police vehicles, with nonresidential development accounting for 35% of the demand. The current police vehicle LOS for residential development is calculated as follows: $((75 \text{ vehicles} \times 65\%) / 75,834 \text{ persons}) = 0.0006$ vehicles per person. This calculation is repeated for nonresidential development resulting in a LOS of 0.0005 vehicles per nonresidential vehicle trip.

Figure 60: Police Vehicles LOS Standards

<i>Division/Vehicles</i>	<i># of Units</i>
Administration	
Sedan	1
Community Services	
Pickup Truck	2
Detention	
Sedan	1
Van	2
Investigations	
Sedan	14
SUV	2
Pickup Truck	2
Van	2
Motorcycle	
Motorcycle	6
Pickup Truck	2
Trailer	1
SMART Radar Trailer	1
Patrol	
Sedan	29
Armored Truck	1
Command Vehicle	1
SUV	3
Patrol Support	
ATV	1
ATV Trailer	1
Pickup Truck	2
Professional Standards Bureau	
Sedan	1
TOTAL	75
<i>Proportionate Share</i>	
Residential	65%
Nonresidential	35%
<i>Demand Units FY2007</i>	
Population	75,834
Nonresidential Vehicle Trips	56,027
<i>LOS</i>	
Residential - vehicles per person	0.0006
Nonresidential - vehicles per nonresidential trip	0.0005

Police Vehicles – Cost Analysis

The City's Police Department estimates the current fleet of vehicles to have a total value of \$2,930,532, an average of \$39,074 per unit ($\$2,930,532/75 \text{ units} = \$39,074$). This results in a cost factor of \$25.21 per person and \$18.18 per nonresidential vehicle trip. For residential development, this is calculated by multiplying the current residential LOS of 0.0006 vehicles per person by \$39,074 per unit ($0.0006 \times \$39,074 = \25.21). This calculation is repeated for nonresidential development resulting in a cost per trip for police vehicles of \$18.18.

Figure 61: Police Vehicles Cost Standards

<i>Division/Vehicles</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Administration			
Sedan	1	\$18,000	\$18,000
Community Services			
Pickup Truck	2	\$25,000	\$50,000
Detention			
Sedan	1	\$18,000	\$18,000
Van	2	\$37,500	\$75,000
Investigations			
Sedan	14	\$20,038	\$280,532
SUV	2	\$35,000	\$70,000
Pickup Truck	2	\$25,000	\$50,000
Van	2	\$22,000	\$44,000
Motorcycle			
Motorcycle	6	\$29,700	\$178,200
Pickup Truck	2	\$38,500	\$77,000
Trailer	1	\$5,000	\$5,000
SMART Radar Trailer	1	\$7,000	\$7,000
Patrol			
Sedan	29	\$38,200	\$1,107,800
Armored Truck	1	\$350,000	\$350,000
Command Vehicle	1	\$400,000	\$400,000
SUV	3	\$39,500	\$118,500
Patrol Support			
ATV	1	\$12,000	\$12,000
ATV Trailer	1	\$1,500	\$1,500
Pickup Truck	2	\$25,000	\$50,000
Professional Standards Bureau			
Sedan	1	\$18,000	\$18,000
TOTAL	75		\$2,930,532

Average Cost per Vehicle => \$39,074

LOS

Residential - vehicles per person	0.0006
Nonresidential - vehicles per nonresidential trip	0.0005

Cost Factor

Average Cost per Vehicle	\$39,074
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Cost

Per Person	\$25.21
Per Nonresidential Trip	\$18.18

* Avondale Police Department. Includes all pieces of equipment needed to place the vehicle in service.

POLICE COMMUNICATIONS EQUIPMENT

The incremental expansion methodology is used to calculate the communication equipment component of the Police Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and nonresidential vehicle trip to provide this LOS.

Police Communications Equipment – LOS Analysis

Figure 62 lists the current inventory of 169 pieces of communications equipment. Based on the proportionate share analysis in Figure 56 above, residential development creates 65% of the demand for police vehicles, with nonresidential development accounting for 35% of the demand. The current police communications equipment LOS for residential development is calculated as follows: $((169 \text{ pieces} \times 65\%) / 75,834 \text{ persons}) = 0.0015 \text{ pieces per person}$. This calculation is repeated for nonresidential development resulting in a LOS of 0.0010 pieces per nonresidential vehicle trip.

Figure 62: Police Communications Equipment LOS Standards

<i>Equipment</i>	<i># of Units</i>
Orbacom Radio Consoles	2
Monitors	12
Positron 911 Equipment	3
Console Furniture	4
Control Stations	4
Computers	4
Portable Radios	140
TOTAL	169
<i>Proportionate Share</i>	
Residential	65%
Nonresidential	35%
<i>Demand Units FY2007</i>	
Population	75,834
Nonresidential Vehicle Trips	56,027
<i>LOS</i>	
Residential - equipment per person	0.0015
Nonresidential - equipment per nonresidential trip	0.0010

Police Communications Equipment – Cost Analysis

The City’s Police Department estimates the current inventory of communications equipment to have a total value of \$713,800, an average of \$4,224 per unit ($\$713,800 / 169 \text{ units} = \$4,224$). This results in a cost factor of \$6.14 per person and \$4.43 per nonresidential vehicle trip. For residential development, this is calculated by multiplying the current residential LOS of 0.0015 pieces of equipment per person by \$4,224 per unit ($0.0015 \times \$4,224 = \6.14). This calculation is repeated for

nonresidential development resulting in a cost per trip for police communications equipment of \$4.43.

Figure 63: Police Communications Equipment Cost Standards

<i>Equipment</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Orbacom Radio Consoles	2	\$28,000	\$56,000
Monitors	12	\$500	\$6,000
Positron 911 Equipment	3	\$10,000	\$30,000
Console Furniture	4	\$15,250	\$61,000
Control Stations	4	\$4,200	\$16,800
Computers	4	\$3,000	\$12,000
Portable Radios	140	\$3,800	\$532,000
TOTAL	169		\$713,800

Average Cost per Piece of Equipment => \$4,224

LOS

Residential - equipment per person 0.0015
 Nonresidential - equipment per nonresidential trip 0.0010

Cost Factor

Average Cost per Piece of Equipment \$4,224

Cost

Per Person \$6.14
 Per Nonresidential Trip \$4.43

* Avondale Police Department.

DEVELOPMENT FEE STUDY

The cost of preparing the Police Development Fee is also included in the fee calculations. The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Police Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$9,200) is allocated over the projected increase in population and nonresidential vehicles trips over the next three years using the residential and nonresidential proportionate share factors. This results in a development fee study cost per demand unit of \$0.56 per person and \$0.11 per trip.

POLICE DEVELOPMENT FEE

Figure 64 provides a summary of the cost factors used to calculate development fees for police. Police Development Fees are calculated for both residential and nonresidential land uses. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Police Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 64, the capital costs per demand unit are \$100.10 per person and \$61.62 per trip.

Figure 64: Police Development Fee Level of Service Standard Summary

		<i>Standards:</i>	
<i>Persons Per Household</i>			
Single Family Detached		3.45	
Single Family Attached/Multi-Family		2.71	
All Other Housing Types		3.48	
<i>Weekday Vehicle Trip Ends per 1,000 Sq Ft</i>			
Commercial / Shopping Center 25,000 SF or less			110.32
Commercial / Shopping Center 25,001-50,000 SF			86.56
Commercial / Shopping Center 50,001-100,000 SF			67.91
Commercial / Shopping Center 100,001-200,000 SF			53.28
Commercial / Shopping Center over 200,000 SF			41.80
Office / Institutional 10,000 SF or less			22.66
Office / Institutional 10,001-25,000 SF			18.35
Office / Institutional 25,001-50,000 SF			15.65
Office / Institutional 50,001-100,000 SF			13.34
Office / Institutional over 100,000 SF			11.37
Business Park			12.76
Light Industrial			6.97
Warehousing			4.96
Manufacturing			3.82
Motel (per room)			5.63
<i>Trip Adjustment Factors</i>			
Commercial / Shopping Center 25,000 SF or less			28%
Commercial / Shopping Center 25,001-50,000 SF			31%
Commercial / Shopping Center 50,001-100,000 SF			33%
Commercial / Shopping Center 100,001-200,000 SF			36%
Commercial / Shopping Center over 200,000 SF			39%
All Other Nonresidential Development			50%
<i>Cost Summary</i>			
	<u>Per Person</u>		<u>Per Trip</u>
Buy-in Police Facilities	\$63.13		\$37.51
Planned Training Facilities	\$5.05		\$1.40
Vehicles	\$25.21		\$18.18
Communications System	\$6.14		\$4.43
Development Fee Study	\$0.56		\$0.11
Total Capital Cost	\$100.10		\$61.62

Figure 65 contains a schedule of the development fees for police. For residential land uses, persons per household (3.45 for a single family detached unit) are multiplied by the capital cost per person (\$100.10), for a development fee per single family detached unit of \$344. For nonresidential land uses, such as a commercial shopping center less than 25,000 square feet, the number of trips per 1,000 square feet (110.32) is multiplied by the corresponding trip adjustment factor (28% or .28) and then multiplied by the capital cost per nonresidential vehicle trip (\$61.62), for a fee of \$1,903 per 1,000 square feet.

Figure 65: Police Development Fee Schedule

Development Fees

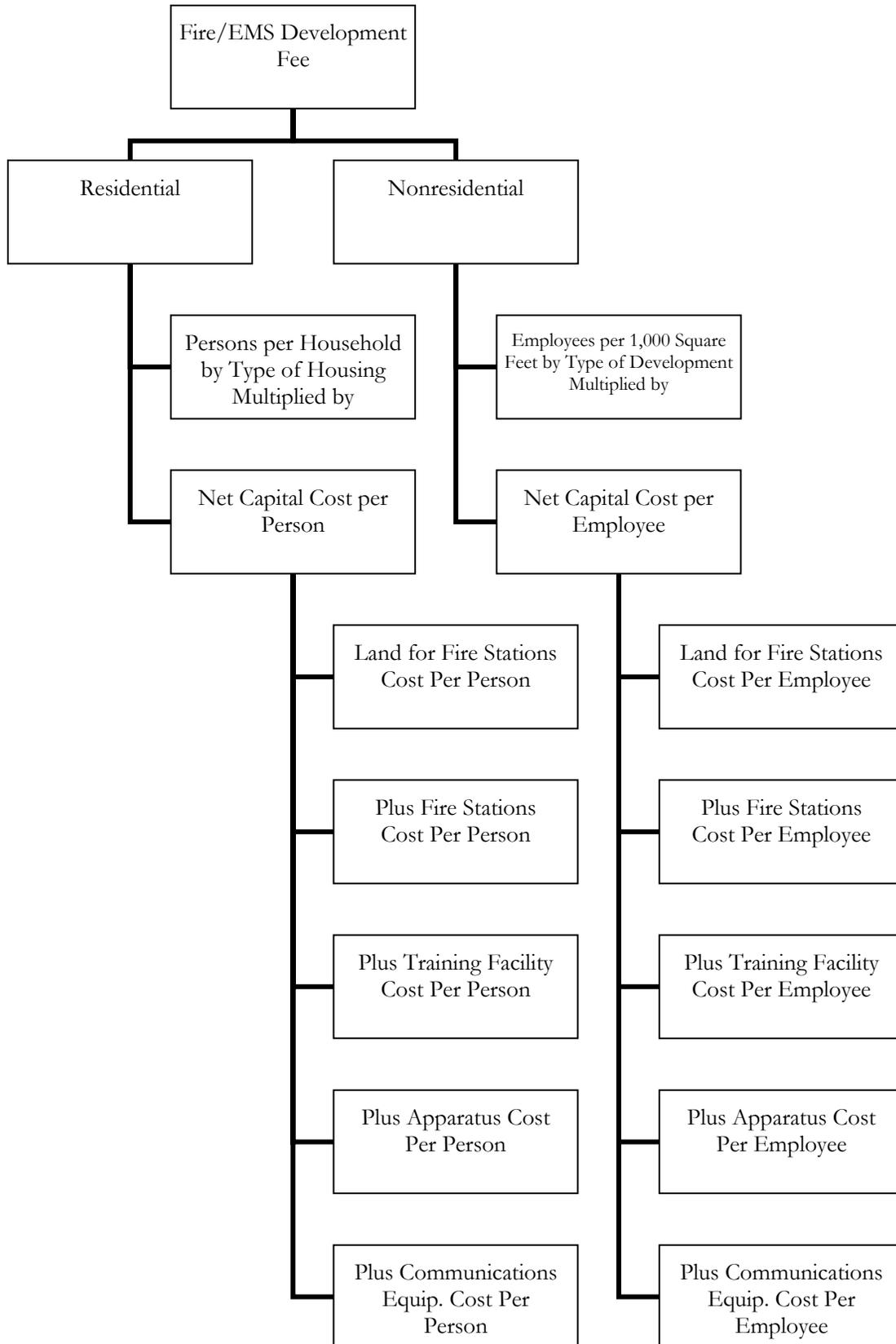
<u>Residential</u>	<u>Per Housing Unit</u>
Single Family Detached	\$344
Single Family Attached/Multi-Family	\$271
All Other Housing Types	\$348
<u>Nonresidential</u>	<u>Per 1,000 Sq Ft/Motel Room</u>
Commercial / Shopping Center 25,000 SF or less	\$1,903
Commercial / Shopping Center 25,001-50,000 SF	\$1,653
Commercial / Shopping Center 50,001-100,000 SF	\$1,380
Commercial / Shopping Center 100,001-200,000 SF	\$1,181
Commercial / Shopping Center over 200,000 SF	\$1,004
Office / Institutional 10,000 SF or less	\$698
Office / Institutional 10,001-25,000 SF	\$565
Office / Institutional 25,001-50,000 SF	\$482
Office / Institutional 50,001-100,000 SF	\$411
Office / Institutional over 100,000 SF	\$350
Business Park	\$393
Light Industrial	\$214
Warehousing	\$152
Manufacturing	\$117
Motel (per room)	\$173

Fire/Emergency Medical Service

METHODOLOGY

The incremental expansion methodology is used for calculating the majority of the components for the Fire/EMS Development Fee including land for fire stations, fire stations, apparatus, and communication equipment. The plan-based methodology is used for the training facility. For residential development, capital costs are calculated per person while capital costs for nonresidential development are calculated on a per employee basis.

Figure 66: Fire/EMS Development Fee Methodology



LAND FOR FIRE STATIONS

The incremental expansion methodology is used to calculate the land for fire stations component of the Fire/EMS Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and job to provide this LOS.

Land for Fire Stations – LOS Analysis

Figure 67 lists the current inventory of 5.0 acres of land for fire stations. Based on the current number of persons and jobs, residential development creates 91% of the demand for land for fire stations, with nonresidential development accounting for 9% of the demand. The proportionate share is calculated as follows, using residential development as an example: 75,834 persons in FY2007/83,395 persons and jobs in FY2007 = .91 or 91%. Nonresidential development accounts for the remaining 9% of demand. The current LOS for land for fire stations for residential development is calculated as follows: $((5.0 \text{ acres} \times .91)/75,834 \text{ persons}) = 0.00006$ acres per person. This calculation is repeated for nonresidential development resulting in a LOS of 0.00006 acres per job.

Figure 67: Land for Fire Stations LOS Standards

<i>Stations</i>	<i>Acres</i>
Station 171	2.0
Station 172	1.5
Station 173	1.5
TOTAL	5.0
<i>Demand Units FY2007</i>	
Population	75,834
Jobs	7,561
<i>Proportionate Share</i>	
Residential	91%
Nonresidential	9%
<i>LOS</i>	
Residential - acres per person	0.00006
Nonresidential - acres per job	0.00006

Land for Fire Stations – Cost Analysis

The City Fire Department estimates current land for fire stations to cost \$200,000 an acre. The resulting cost factor is \$11.99 per person and job. Using residential development as an example, the cost per person is calculated by multiplying the current residential LOS of 0.00006 acres per person by \$200,000 per acre ($0.00006 \times \$200,000 = \11.99). This is repeated using the nonresidential development data resulting in a cost per job of \$11.99.

Figure 68: Cost Standards for Land for Fire Stations

<i>Cost Factor</i>	
Cost per Acre*	\$200,000
 <i>LOS</i>	
Residential - acres per person	0.00006
Nonresidential - acres per job	0.00006
 <i>Cost</i>	
Per Person	\$11.99
Per Job	\$11.99

* Avondale Fire Department based on recent efforts to obtain land for future stations.

FIRE STATIONS

The incremental expansion methodology is used to calculate the land for fire stations component of the Fire/EMS Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and nonresidential vehicle trip to provide this LOS.

Fire Stations – LOS Analysis

Figure 69 lists the current inventory of 36,200 square feet of fire stations. Based on the current number of persons and jobs, residential development creates 91% of the demand for fire stations, with nonresidential development accounting for 9% of the demand. The proportionate share is calculated as follows, using residential development as an example: 75,834 persons in FY2007/83,395 persons and jobs in FY2007 = .91 or 91%. Nonresidential development accounts for the remaining 9% of demand. The current LOS for fire stations for residential development is calculated as follows: $((36,200 \text{ square feet} \times .91) / 75,834 \text{ persons}) = 0.43 \text{ square feet per person}$. This calculation is repeated for nonresidential development resulting in a LOS of 0.43 square feet per job.

Figure 69: Fire Station LOS Standards

<i>Stations</i>	<i>Square Feet</i>
Station 171	7,200
Station 172	17,000
Station 173	12,000
TOTAL	36,200
<i>Demand Units FY2007</i>	
Population	75,834
Jobs	7,561
<i>Proportionate Share</i>	
Residential	91%
Nonresidential	9%
<i>LOS</i>	
Residential - square feet per person	0.43
Nonresidential - square feet per job	0.43

Fire Stations – Cost Analysis

The recently constructed Station 173 cost \$365 per square foot for construction, thus this figure used for determining the current cost to provide the current LOS for fire stations. The City also intends to repay new growth’s share of financing the construction of Station 173 with proceeds from the Fire/EMS Development Fee, thus it is appropriate to include these costs as well. The average cost per square foot for fire stations is \$375 ($\$13,577,478 / 36,200$ square feet = \$375). Using residential development as an example, the cost per person is calculated by multiplying the current residential LOS of 0.43 square feet per person by \$375 per square foot ($0.43 \times \$375 = \162.81). This is repeated using the nonresidential development data resulting in a cost per job of \$162.81.

Figure 70: Cost Standards for Fire Stations

<i>Facilities</i>	<i>Square Feet</i>	<i>Cost/SF*</i>	<i>Total</i>
Station 171	7,200	\$365	\$2,628,000
Station 172	17,000	\$365	\$6,205,000
Station 173	12,000	\$365	\$4,380,000
Financing Costs to be Repaid with DIF's**			\$364,478
TOTAL	36,200		\$13,577,478

Average Cost per Square Foot => \$375

LOS

Residential - square feet per person	0.43
Nonresidential - square feet per job	0.43

Cost Factor

Average Cost per Square Foot*	\$375
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Cost

Per Person	\$162.81
Per Job	\$162.81

* Avondale Fire Department based on recently completed Station 173.

** Series 2004 MDC Bond Issue.

FIRE TRAINING FACILITY

The plan-based expansion methodology is used to calculate the training facility component of the Fire/EMS Development Fee.

Fire Training Facility – Cost Analysis

The City plans to spend a total of \$2,315,750 over the next five years for its share of the Glendale Fire Academy. The Fire Department estimates this facility will provide sufficient capacity through FY2021, thus the projected FY2021 population and jobs is used in the calculation. Based on the projected number of persons and jobs in FY2021, residential development creates 79% of the demand for training center facilities, with nonresidential development accounting for 21% of the demand. The proportionate share is calculated as follows, using residential development as an example: 125,632 persons in FY2021/158,594 persons and jobs in FY2021 = .79 or 79%. Nonresidential development accounts for the remaining 21% of demand. The planned cost for residential development is calculated as follows: $((\$2,315,750 \times 79\%) / 125,632 \text{ persons in FY2021}) = \14.60 per person. This calculation is repeated for nonresidential development resulting in a cost of \$14.60 per job.

Figure 71: Fire Training Facilities Cost Standards

	FY2007	FY2008	FY2009	FY2010	FY2011	TOTAL
Glendale Fire Academy	\$334,500	\$752,740	\$334,550	\$583,650	\$310,310	\$2,315,750
TOTAL	\$334,500	\$752,740	\$334,550	\$583,650	\$310,310	\$2,315,750

Source: City of Avondale *Capital Improvements Plan*, Fiscal Years 2007-2011.

<i>Proportionate Share</i>		
Residential		79%
Nonresidential		21%
<i>Demand Units in 2021</i>		
Population		125,632
Jobs		32,962
<i>Cost</i>		
Per Person		\$14.60
Per Job		\$14.60

FIRE/EMS APPARATUS

The incremental expansion methodology is used to calculate the apparatus component of the Fire/EMS Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and job to provide this LOS.

Fire/EMS Apparatus – LOS Analysis

Figure 72 lists the current fleet of 35 pieces of apparatus. Based on the current number of persons and jobs, residential development creates 91% of the demand for apparatus, with nonresidential development accounting for 9% of the demand. The proportionate share is calculated as follows, using residential development as an example: 75,834 persons in FY2007/83,395 persons and jobs in FY2007 = .91 or 91%. Nonresidential development accounts for the remaining 9% of demand. The current LOS for apparatus for residential development is calculated as follows: ((35 vehicles x 91%)/75,834 persons) = 0.0004 vehicles per person. This calculation is repeated for nonresidential development resulting in a LOS of 0.0004 vehicles per job.

Figure 72: Fire/EMS Apparatus LOS Standards

<i>Apparatus</i>	<i># of Units</i>
Engine	6
Aerial Truck	1
Light and Air Truck	1
Heavy Rescue Truck	1
Ladder Truck	1
TRT Truck	1
Brush Truck	2
Command Vehicle	3
Sedan	3
4X4 Pickup Truck	1
Pickup Truck	6
Crew Cab Pickup Truck	1
Van - 7 Person	1
Van - 12 Person	1
Trailer - Generator and Light Tower	2
Trailer - Pressure Wash and Steam	1
Trailer - Flatbed	1
ATV - EMS Rescue	1
ATV - Brush Fire	1
TOTAL	35
<i>Demand Units FY2007</i>	
Population	75,834
Jobs	7,561
<i>Proportionate Share</i>	
Residential	91%
Nonresidential	9%
<i>LOS</i>	
Residential - apparatus per person	0.0004
Nonresidential - apparatus per job	0.0004

Fire/EMS Apparatus – Cost Analysis

The City's Fire Department estimates the current fleet of apparatus to have a total value of \$9,400,700, an average of \$268,591 per vehicle ($\$9,400,700/35 \text{ units} = \$268,591$). This results in a cost factor of \$112.73 per person and job. For residential development, this is calculated by multiplying the current residential LOS of 0.0004 vehicles per person by \$268,591 per unit ($0.0004 \times \$268,591 = \112.73). This calculation is repeated for nonresidential development resulting in a cost per job for fire apparatus of \$112.73.

Figure 73: Fire/EMS Apparatus Cost Standards

<i>Apparatus</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Engine	6	\$766,500	\$4,599,000
Aerial Truck	1	\$850,500	\$850,500
Light and Air Truck	1	\$733,000	\$733,000
Heavy Rescue Truck	1	\$475,000	\$475,000
Ladder Truck	1	\$1,200,000	\$1,200,000
TRT Truck	1	\$350,000	\$350,000
Brush Truck	2	\$165,000	\$330,000
Command Vehicle	3	\$140,000	\$420,000
Sedan	3	\$25,000	\$75,000
4X4 Pickup Truck	1	\$28,000	\$28,000
Pickup Truck	6	\$25,000	\$150,000
Crew Cab Pickup Truck	1	\$30,000	\$30,000
Van - 7 Person	1	\$20,000	\$20,000
Van - 12 Person	1	\$25,000	\$25,000
Trailer - Generator and Light Tower	2	\$11,000	\$22,000
Trailer - Pressure Wash and Steam	1	\$16,000	\$16,000
Trailer - Flatbed	1	\$2,200	\$2,200
ATV - EMS Rescue	1	\$45,000	\$45,000
ATV - Brush Fire	1	\$30,000	\$30,000
TOTAL	35		\$9,400,700

Average Cost per Apparatus => \$268,591

LOS

Residential - apparatus per person	0.0004
Nonresidential - apparatus per job	0.0004

Cost Factor

Average Cost per Apparatus	\$268,591
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Cost

Per Person	\$112.73
Per Job	\$112.73

* Avondale Fire Department. Includes all pieces of equipment needed to place the apparatus in service except radios.

FIRE/EMS COMMUNICATIONS EQUIPMENT

The incremental expansion methodology is used to calculate the communication equipment component of the Fire/EMS Development Fee. The first step of the analysis determines the

current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and job to provide this LOS.

Fire Communications Equipment – LOS Analysis

Figure 74 lists the current inventory of 51 pieces of communications equipment. Based on the current number of persons and jobs, residential development creates 91% of the demand for communications equipment, with nonresidential development accounting for 9% of the demand. The proportionate share is calculated as follows, using residential development as an example: 75,834 persons in FY2007/83,395 persons and jobs in FY2007 = .91 or 91%. Nonresidential development accounts for the remaining 9% of demand. The current communications equipment LOS for residential development is calculated as follows: ((51 pieces x 91%)/75,834 persons) = 0.0006 pieces per person. This calculation is repeated for nonresidential development resulting in a LOS of 0.0006 pieces per job.

Figure 74: Fire/EMS Communications Equipment LOS Standards

<i>Equipment</i>	<i># of Units</i>
Portable Radios	24
Mobile Radios	25
Base Radios	2
TOTAL	51
<i>Demand Units FY2007</i>	
Population	75,834
Jobs	7,561
<i>Proportionate Share</i>	
Residential	91%
Nonresidential	9%
<i>LOS</i>	
Residential - equipment per person	0.0006
Nonresidential - equipment per job	0.0006

Fire/EMS Communications Equipment – Cost Analysis

The City’s Fire Department estimates the current inventory of communications equipment to have a total value of \$97,125, an average of \$1,904 per unit (\$97,215/51 units = \$1,904). This results in a cost factor of \$1.16 per person job. For residential development, this is calculated by multiplying the current residential LOS of 0.0006 pieces of equipment per person by \$1,904 per unit (0.0006 x \$1,904 = \$1.16). This calculation is repeated for nonresidential development resulting in a cost per job for communications equipment of \$1.16.

Figure 75: Fire/EMS Communications Equipment Cost Standards

<i>Equipment</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Portable Radios	24	\$3,400	\$81,600
Mobile Radios	25	\$575	\$14,375
Base Radios	2	\$575	\$1,150
TOTAL	51		\$97,125

Average Cost per Piece of Equipment => \$1,904

LOS

Residential - equipment per person	0.0006
Nonresidential - equipment per job	0.0006

Cost Factor

Average Cost per Piece of Equipment	\$1,904
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Cost

Per Person	\$1.16
Per Job	\$1.16

* Avondale Fire Department.

PRINCIPAL PAYMENT CREDITS

Avondale is making payments on General Obligation (G.O.) bonds that financed Fire/EMS facilities. To avoid potential double payment for these facilities, a principal payment credit is shown in Figure 76. Because interest costs have not been added to the development fees, a credit is not necessary for future interest payments. Due to the time value of future payments, a net present value adjustment is used in the calculation of the credit. The credit is calculated to be \$14.62 per person and job on a net present value basis.

Figure 76: Principal Payment Credits

<i>Fiscal Year</i>	<i>Series 2003A Principal Payments</i>	<i>Projected Population and Jobs</i>	<i>Credit per Person and Job</i>
2007	\$187,900	83,395	\$2.25
2008	\$191,658	88,228	\$2.17
2009	\$195,416	93,145	\$2.10
2010	\$202,932	98,144	\$2.07
2011	\$210,448	103,226	\$2.04
2012	\$221,722	108,390	\$2.05
2013	\$232,996	113,638	\$2.05
2014	\$248,028	118,968	\$2.08
2015	\$255,544	124,380	\$2.05
		Discount Rate	5.50%
		Net Present Value	\$14.62

DEVELOPMENT FEE STUDY

The cost of preparing the Fire/EMS Development Fee is also included in the fee calculations. The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Fire/EMS Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$8,700) is allocated over the projected increase in population and jobs over the next three years. This results in a development fee study cost per demand unit of \$0.59 per person and job.

FIRE/EMS DEVELOPMENT FEE

Figure 77 provides a summary of the cost factors used to calculate Fire/EMS Development Fees. Fire/EMS Development Fees are calculated for both residential and nonresidential land uses. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Fire/EMS Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 77, the capital costs per demand unit are \$289.26 per person and job.

Figure 77: Fire/EMS Development Fee Level of Service Standard Summary

		<i>Standards:</i>	
Persons Per Household			
	Single Family Detached	3.45	
	Single Family Attached/Multi-Family	2.71	
	All Other Housing Types	3.48	
Employees Per 1,000 Square Feet/Motel Room			
	Commercial / Shopping Center 25,000 SF or less		3.33
	Commercial / Shopping Center 25,001-50,000 SF		2.86
	Commercial / Shopping Center 50,001-100,000 SF		2.50
	Commercial / Shopping Center 100,001-200,000 SF		2.22
	Commercial / Shopping Center over 200,000 SF		2.00
	Office / Institutional 10,000 SF or less		4.48
	Office / Institutional 10,001-25,000 SF		4.15
	Office / Institutional 25,001-50,000 SF		3.91
	Office / Institutional 50,001-100,000 SF		3.69
	Office / Institutional over 100,000 SF		3.35
	Business Park		3.16
	Light Industrial		2.31
	Warehousing		1.28
	Manufacturing		1.79
	Motel (per room)		0.44
Cost Summary		<u>Per Person</u>	<u>Per Employee</u>
	Land for Fire Stations	\$11.99	\$11.99
	Fire Facilities	\$162.81	\$162.81
	Planned Training Facilities	\$14.60	\$14.60
	Apparatus	\$112.73	\$112.73
	Communications Equipment	\$1.16	\$1.16
	Less Principal Payment Credit	(\$14.62)	(\$14.62)
	Development Fee Study	\$0.59	\$0.59
	Net Capital Cost per Demand Unit	\$289.26	\$289.26

Figure 78 lists the Fire/EMS Development Fees. For residential land uses, persons per household (3.45 for a single family detached unit) are multiplied by the capital cost per person (\$289.26), for a development fee per single family detached unit of \$996. For nonresidential land uses, such as a commercial shopping center less than 25,000 square feet, the number of jobs per 1,000 square feet (3.33) is multiplied by the capital cost per job (\$289.26), for a fee of \$963 per 1,000 square feet.

Figure 78: Fire/EMS Development Fee Schedule

Development Fees

<u>Residential</u>	<u>Per Housing Unit</u>
Single Family Detached	\$996
Single Family Attached/Multi-Family	\$785
All Other Housing Types	\$1,006
<u>Nonresidential</u>	<u>Per 1,000 Sq Ft/Motel Room</u>
Commercial / Shopping Center 25,000 SF or less	\$963
Commercial / Shopping Center 25,001-50,000 SF	\$827
Commercial / Shopping Center 50,001-100,000 SF	\$723
Commercial / Shopping Center 100,001-200,000 SF	\$642
Commercial / Shopping Center over 200,000 SF	\$578
Office / Institutional 10,000 SF or less	\$1,295
Office / Institutional 10,001-25,000 SF	\$1,200
Office / Institutional 25,001-50,000 SF	\$1,131
Office / Institutional 50,001-100,000 SF	\$1,067
Office / Institutional over 100,000 SF	\$969
Business Park	\$914
Light Industrial	\$668
Warehousing	\$370
Manufacturing	\$517
Motel (per room)	\$127

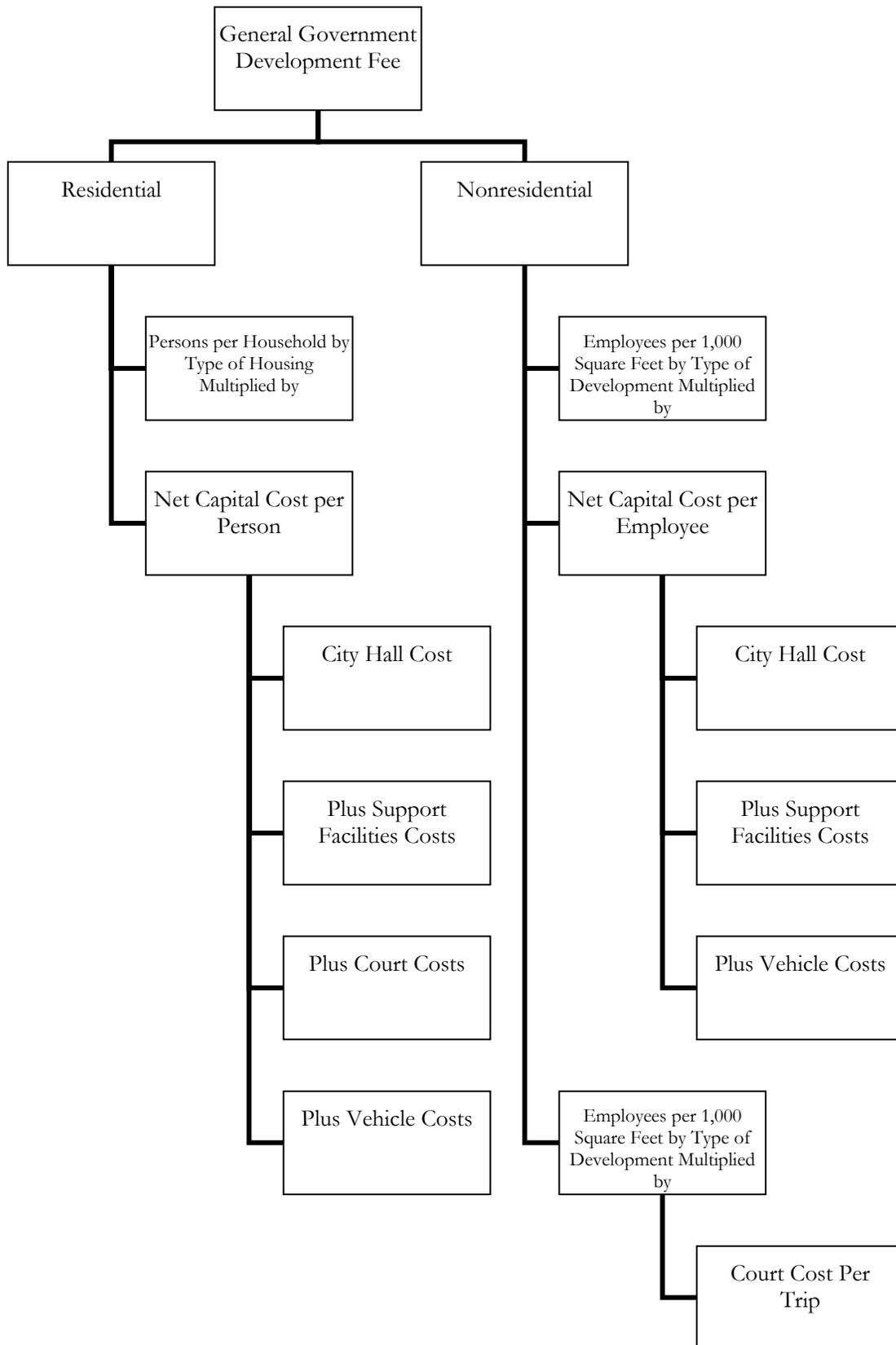
General Government

METHODOLOGY

The General Government Development Fee is calculated for both residential and nonresidential development. Residential development fees are calculated on a per capita basis and then converted to an appropriate amount by type of housing based on household size. Employee densities (jobs per square foot) are used to calculate nonresidential development fees with the exception of the Courts component which utilizes nonresidential vehicle trips similar to the Police Development Fee.

The buy-in methodology is used for calculating the level-of-service standards for the recently completed City Hall, courts, and support facilities. The incremental expansion methodology is used for calculating the level-of-service standards for vehicles.

Figure 79: General Government Development Fee Methodology



CITY HALL

The buy-in methodology is used to calculate the City Hall component of the General Government Development Fee. The first step of the analysis determines the level-of-service (LOS) that will be provided when City Hall is at full capacity. The second step involves determining the cost per person and job to provide this LOS.

City Hall – LOS Analysis

Figure 80 lists City Hall which totals 70,000 square feet in size. This facility will provide sufficient capacity through FY2010. The residential proportionate share is calculated as follows: 86,505 persons in FY2010/98,144 persons and jobs in FY2010 = .88 or 88%. Nonresidential development accounts for the remaining 12%. The buy-in LOS for City Hall for residential development is calculated as follows: ((70,000 square feet x 88%)/86,505 persons in FY2010) = 0.71 square feet per person. This calculation is repeated for nonresidential development resulting in a buy-in LOS of 0.71 square feet per job.

Figure 80: City Hall LOS Standards

	<i>Square Feet</i>
City Hall	70,000
<i>Demand Units FY2010</i>	
Population	86,505
Jobs	11,639
<i>Proportionate Share</i>	
Residential	88%
Nonresidential	12%
<i>LOS</i>	
Residential - square feet per person	0.71
Nonresidential - square feet per job	0.71

City Hall – Cost Analysis

The original cost of the 70,000 square feet was \$20,414,592. This City also intends to repay new growth’s share of the related debt service with proceeds from the General Government Development Fees, thus it is appropriate to include these costs. This results in an average of \$292 per square foot (\$20,414,592/70,000 square feet = \$292). The cost factor per person and job is \$208.01. This is calculated by multiplying the buy-in LOS of 0.71 square feet per person and per job by \$292 per square foot (0.71 x \$292 = \$208.01).

Figure 81: City Hall Cost Standards

<i>Facilities</i>	<i>Square Feet</i>	<i>Original Cost*</i>
City Hall	70,000	\$19,359,582
Financing Costs To Be Repaid With DIF's**		\$1,055,010
TOTAL	70,000	\$20,414,592

Average Cost per Square Foot => \$292

LOS

Residential - square feet per person	0.71
Nonresidential - square feet per job	0.71

Cost Factor

Original Cost per Square Foot*	\$292
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Cost

Per Person	\$208.01
Per Job	\$208.01

* Avondale Finance Department.

** Series 2003 MDC Bond Issue.

GENERAL GOVERNMENT SUPPORT FACILITIES

The buy-in methodology is used to calculate the support facilities component of the General Government Development Fee. The first step of the analysis determines the level-of-service (LOS) that will be provided when the support facilities are at full capacity. The second step involves determining the cost per person and job to provide this LOS.

General Government Support Facilities – LOS Analysis

Figure 82 lists the current inventory of general government support facilities which total 18,708 square feet. These facilities will provide sufficient capacity through FY2012. The residential proportionate share is calculated as follows: 93,619 persons in FY2012/108,391 persons and jobs in FY2012 = .86 or 86%. Nonresidential development accounts for the remaining 14%. The buy-in LOS for general government support facilities for residential development is calculated as follows: ((18,708 square feet x 86%)/93,619 persons in FY2012) = 0.17 square feet per person. This calculation is repeated for nonresidential development resulting in a buy-in LOS of 0.17 square feet per job.

Figure 82: General Government Support Facilities LOS Standards

<i>Buildings</i>	<i>Square Feet</i>
Field Operations - Fleet Services	12,689
Municipal Operations - Field Operations	6,019
TOTAL	18,708
<i>Demand Units FY2012</i>	
Population	93,619
Jobs	14,772
<i>Proportionate Share</i>	
Residential	86%
Nonresidential	14%
<i>LOS</i>	
Residential - square feet per person	0.17
Nonresidential - square feet per job	0.17

General Government Support Facilities – Cost Analysis

The original cost of the general government support facilities was \$197 per square foot. This results in a cost factor of \$34.00 per person and job. This is calculated by multiplying the buy-in LOS of 0.17 square feet per person and per job by \$197 per square foot ($0.17 \times \$197 = \34.00).

Figure 83: General Government Support Facilities Cost Standards

<i>LOS</i>	
Residential - square feet per person	0.17
Nonresidential - square feet per job	0.17
<i>Cost Factor</i>	
Original Cost per Square Foot*	\$197
<i>Cost</i>	
Per Person	\$34.00
Per Job	\$34.00

* Avondale Field Operations Department based construction cost of Municipal Operations Center.

COURTS

The buy-in methodology is used to calculate the courts component of the General Government Development Fee. The first step of the analysis determines the level-of-service (LOS) that will be

provided when the court facilities are at full capacity. The second step involves determining the cost per person and nonresidential vehicle trip to provide this LOS.

Courts – LOS Analysis

Figure 84 lists the current court facilities which total 12,000 square feet in size. These facilities will provide sufficient capacity through FY2010. Because the demand for court facilities is related to the demand for police services, the proportionate share analysis from Figure 56 is utilized. Residential development creates 65% of the demand for court facilities, with nonresidential development accounting for 35% of the demand. The buy-in LOS for courts for residential development is calculated as follows: $((12,000 \text{ square feet} \times 65\%) / 86,505 \text{ persons in FY2010}) = 0.09 \text{ square feet per person}$. This calculation is repeated for nonresidential development resulting in a buy-in LOS of 0.05 square feet per nonresidential vehicle trip.

Figure 84: Courts LOS Standards

	<i>Square Feet</i>
Courts	12,000
<i>Proportionate Share</i>	
Residential	65%
Nonresidential	35%
<i>Demand Units FY2010</i>	
Population	86,505
Nonresidential Vehicle Trips	84,382
<i>LOS</i>	
Residential - square feet per person	0.09
Nonresidential - square feet per nonresidential trip	0.05

Courts – Cost Analysis

The original cost of the courts facility was \$224 per square foot. This results in a cost factor of \$20.28 per person and \$11.07 per nonresidential vehicle trip. For residential development, the cost per person is calculated by multiplying the buy-in LOS of 0.09 square feet per person by \$224 per square foot ($0.09 \times \$224 = \20.28). This calculation is repeated using the LOS for nonresidential development resulting in a cost per trip of \$11.07.

Figure 85: Courts Cost Standards

<i>LOS</i>		
	Residential - square feet per person	0.09
	Nonresidential - square feet per nonresidential trip	0.05
 <i>Cost Factor</i>		
	Original Cost per Square Foot*	\$224
 <i>Cost</i>		
	Per Person	\$20.28
	Per Trip	\$11.07

* Avondale Finance Department.

GENERAL GOVERNMENT VEHICLES

The incremental expansion methodology is used to calculate the vehicles component of the General Government Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per person and job to provide this LOS.

General Government Vehicles– LOS Analysis

Figure 86 lists the current fleet of 28 general government vehicles. Based on the current number of persons and jobs, residential development creates 91% of the demand for general government vehicles, with nonresidential development accounting for 9% of the demand. The proportionate share is calculated as follows, using residential development as an example: 75,834 persons in FY2007/83,395 persons and jobs in FY2007 = .91 or 91%. Nonresidential development accounts for the remaining 9% of demand. The current LOS for general government vehicles for residential development is calculated as follows: $((28 \times .91)/75,834 \text{ persons}) = 0.0003 \text{ vehicles per person}$. This calculation is repeated for nonresidential development resulting in a LOS of 0.0003 vehicles per job.

Figure 86: General Government Vehicles LOS Standards

<i>Division/Vehicles</i>	<i># of Units</i>
Building Inspections	
Sedan	1
Pickup Truck	6
Engineering	
SUV	2
Pickup Truck	5
Fleet Services	
Sedan	6
Van	1
Utility Pickup	1
Pickup Truck	2
Information Technology	
Sedan	1
Van	1
Planning	
Sedan	1
Risk Management	
Sedan	1
TOTAL	28
<i>Demand Units FY2007</i>	
Population	75,834
Jobs	7,561
<i>Proportionate Share</i>	
Residential	91%
Nonresidential	9%
<i>LOS</i>	
Residential - vehicles per person	0.0003
Nonresidential - vehicles per job	0.0003

General Government Vehicles– Cost Analysis

The current fleet of general government vehicles has a current value of \$558,450; an average of \$19,945 per vehicle ($\$558,450/28$ vehicles = \$19,945 per vehicle). This results in a cost factor of \$6.70 per person and per job. This is calculated by multiplying the current residential and nonresidential LOS of 0.0003 vehicles per person by \$19,945 per unit ($0.0003 \times \$19,945 = \6.70).

Figure 87: General Government Vehicles & Equipment Cost Standards

<i>Division/Vehicles</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Building Inspections			
Sedan	1	\$18,000	\$18,000
Pickup Truck	6	\$19,200	\$115,200
Engineering			
SUV	2	\$24,000	\$48,000
Pickup Truck	5	\$20,250	\$101,250
Fleet Services			
Sedan	6	\$18,000	\$108,000
Van	1	\$20,000	\$20,000
Utility Pickup	1	\$30,000	\$30,000
Pickup Truck	2	\$23,000	\$46,000
Information Technology			
Sedan	1	\$18,000	\$18,000
Van	1	\$18,000	\$18,000
Planning			
Sedan	1	\$18,000	\$18,000
Risk Management			
Sedan	1	\$18,000	\$18,000
TOTAL	28		\$558,450

Average Cost per Vehicle => \$19,945

LOS

Residential - vehicles per person	0.0003
Nonresidential - vehicles per job	0.0003

Cost Factor

Average Cost per Vehicle	\$19,945
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Cost

Per Person	\$6.70
Per Job	\$6.70

* Avondale Fleet Services Division.

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current General Government Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$9,900) is allocated to the projected increase in population and jobs over the next three years. A three year period is used since this is the period of time at which the development fee methodology should be revisited in a growing community. This

results in a development fee study cost per demand unit of \$0.67 per person and job (\$9,900/14,749 people and jobs).

GENERAL GOVERNMENT DEVELOPMENT FEE

Figure 88 provides a summary of the cost factors used to calculate the General Government Development Fees. These fees are calculated for both residential and nonresidential land uses. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the General Government Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 88, the capital costs per demand unit are \$269.65 per person, \$249.38 per job, and \$11.07 per nonresidential vehicle trip.

Figure 88: General Government Development Fee Cost Summary

		<i>Standards:</i>		
Residential		<i>Persons Per Household</i>		
	Single Family Detached		3.45	
	Single Family Attached/Multi-Family		2.71	
	All Other Housing Types		3.48	
Nonresidential		<i>Jobs/1,000 sf</i>	<i>Trips/1,000 sf</i>	
	Commercial / Shopping Center 25,000 SF or less	3.33	110.32	
	Commercial / Shopping Center 25,001-50,000 SF	2.86	86.56	
	Commercial / Shopping Center 50,001-100,000 SF	2.50	67.91	
	Commercial / Shopping Center 100,001-200,000 SF	2.22	53.28	
	Commercial / Shopping Center over 200,000 SF	2.00	41.80	
	Office / Institutional 10,000 SF or less	4.48	22.66	
	Office / Institutional 10,001-25,000 SF	4.15	18.35	
	Office / Institutional 25,001-50,000 SF	3.91	15.65	
	Office / Institutional 50,001-100,000 SF	3.69	13.34	
	Office / Institutional over 100,000 SF	3.35	11.37	
	Business Park	3.16	12.76	
	Light Industrial	2.31	6.97	
	Warehousing	1.28	4.96	
	Manufacturing	1.79	3.82	
	Motel (per room)	0.44	5.63	
Trip Adjustment Factors				
	Commercial / Shopping Center 25,000 SF or less			28%
	Commercial / Shopping Center 25,001-50,000 SF			31%
	Commercial / Shopping Center 50,001-100,000 SF			33%
	Commercial / Shopping Center 100,001-200,000 SF			36%
	Commercial / Shopping Center over 200,000 SF			39%
	All Other Nonresidential Development			50%
Cost Summary		<u>Per Person</u>	<u>Per Employee</u>	<u>Per Trip</u>
	City Hall	\$208.01	\$208.01	\$0.00
	General Government Buildings	\$34.00	\$34.00	\$0.00
	Courts	\$20.28	\$0.00	\$11.07
	General Government Vehicles	\$6.70	\$6.70	\$0.00
	Development Fee Study	\$0.67	\$0.67	\$0.00
	Net Capital Cost per Demand Unit	\$269.65	\$249.38	\$11.07

Figure 89 contains a schedule of the General Government Development Fees. For residential land uses, persons per household (3.45 for a single family detached unit) are multiplied by the capital cost per person (\$269.65), for a development fee per single family detached unit of \$929 (this includes the courts component). For nonresidential land uses, such as a commercial shopping center less than 25,000 square feet, the number of employees per square foot (3.33) is multiplied by the capital cost per employee (\$249.38) for a total of \$830. Note this does not include the courts component. Using the same 25,000 square foot commercial shopping center as an example, the courts component is calculated by multiplying the number of trips per 1,000 square feet (110.32) by the corresponding trip adjustment factor (28%) by the courts cost per trip (\$11.07). The courts component total (\$341) is then added to \$830 for a total General Government Development Fee of \$1,171 per 1,000 square feet for a commercial shopping center of less than 25,000 square feet.

Figure 89: General Government Development Fee Schedule

Development Fees

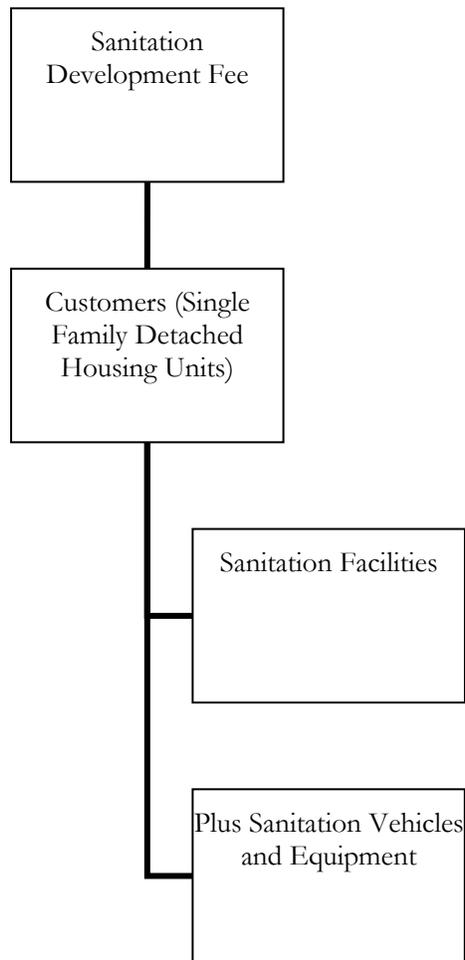
<u>Residential</u>	<u>Per Housing Unit</u>
Single Family Detached	\$929
Single Family Attached/Multi-Family	\$731
All Other Housing Types	\$938
<u>Nonresidential</u>	<u>Per 1,000 Sq Ft/Motel Room</u>
Commercial / Shopping Center 25,000 SF or less	\$1,171
Commercial / Shopping Center 25,001-50,000 SF	\$1,010
Commercial / Shopping Center 50,001-100,000 SF	\$871
Commercial / Shopping Center 100,001-200,000 SF	\$765
Commercial / Shopping Center over 200,000 SF	\$678
Office / Institutional 10,000 SF or less	\$1,242
Office / Institutional 10,001-25,000 SF	\$1,135
Office / Institutional 25,001-50,000 SF	\$1,061
Office / Institutional 50,001-100,000 SF	\$993
Office / Institutional over 100,000 SF	\$897
Business Park	\$858
Light Industrial	\$614
Warehousing	\$346
Manufacturing	\$467
Motel (per room)	\$140

Sanitation

METHODOLOGY

The Sanitation Development Fee is calculated for sanitation customers who are comprised of only single family detached housing units. The buy-in methodology is used to calculate the LOS standards for sanitation-related facilities while the plan-based methodology is used for sanitation vehicles and equipment.

Figure 90: Sanitation Development Fee Methodology



SANITATION FACILITIES

The buy-in methodology is used to calculate the facilities component of the Sanitation Development Fee. The first step of the analysis determines the level-of-service (LOS) that will be provided when the facilities are at full capacity. The second step involves determining the cost per sanitation customer to provide this LOS.

Sanitation Facilities – LOS Analysis

Figure 91 lists the current inventory of sanitation facilities which total 3,386 square feet. These facilities will provide sufficient capacity through FY2012. The buy-in LOS for sanitation facilities is calculated as follows: 3,386 square feet/24,151 sanitation customers in FY2012) = 0.14 square feet per customer.

Figure 91: Sanitation Facilities LOS Standards

<i>Buildings</i>	<i>Square Feet</i>
Field Operations - Sanitation	3,386
TOTAL	3,386
<i>Demand Units FY2012</i>	
Customers (Single Family Detached Units)	24,151
<i>LOS</i>	
Square feet per customer	0.14

Sanitation Facilities – Cost Analysis

The original cost of the sanitation facilities was \$197 per square foot. This results in a cost factor of \$27.62 per customer. This is calculated by multiplying the buy-in LOS of 0.14 square feet per customer by \$197 per square foot (0.14 x \$197 = \$27.62).

Figure 92: Sanitation Facilities Cost Standards

<i>LOS</i>	
Square feet per customer	0.14
<i>Cost Factor</i>	
Original Cost per Square Foot	\$197
<i>Cost</i>	
Per Customer (Single Family Detached Unit)	\$27.62

* Avondale Field Operations Department based construction cost of Municipal Operations Center.

SANITATION VEHICLES & EQUIPMENT

The plan-based expansion methodology is used to calculate the vehicles and equipment component of the Sanitation Development Fee.

Sanitation Vehicles & Equipment – Cost Analysis

The City plans to spend a total of \$1,977,650 over the next five years for sanitation vehicles and equipment. These additional vehicles and equipment will serve the projected net increase of 7,200 sanitation customers between FY2007 and FY2011. The planned cost per customer is calculated as follows: \$1,977,650/7,200 net new sanitation customers FY2007-FY2011= \$274.67 per customer.

Figure 93: Sanitation Vehicles & Equipment Cost Standards

	FY2007	FY2008	FY2009	FY2010	FY2011	TOTAL
Capital Equipment - Residential	\$290,000	\$270,000	\$212,000	\$219,000	\$280,000	\$1,271,000
Containers - Refuse and Recycling	\$186,000	\$124,800	\$128,050	\$131,950	\$135,850	\$706,650
TOTAL	\$476,000	\$394,800	\$340,050	\$350,950	\$415,850	\$1,977,650

Source: City of Avondale *Capital Improvements Plan*, Fiscal Years 2007-2011.

<i>Net Customers Added FY2007-FY2011 per the CIP</i>	
Customers (Single Family Detached Units)	7,200
 <i>Cost</i>	
Per Customer (Single Family Detached Unit)	\$274.67

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Sanitation Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$6,200) is allocated to the projected increase in sanitation customers over the next three years. A three year period is used since this is the period of time at which the development fee methodology should be revisited in a growing community. This results in a development fee study cost per demand unit of \$2.14 per customer (\$6,200/2,900 single family detached units).

SANITATION DEVELOPMENT FEE

Figure 94 lists the Sanitation Development Fee for single family detached units. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Sanitation Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 94, the Sanitation Development Fee per single family detached housing unit is \$304.

Figure 94: Sanitation Development Fee

	<i>Cost per Sanitation Customer (Single Family Detached Units)</i>
Facilities	\$28
Vehicles & Equipment	\$275
Development Fee Study	\$2
TOTAL	\$304

Transportation

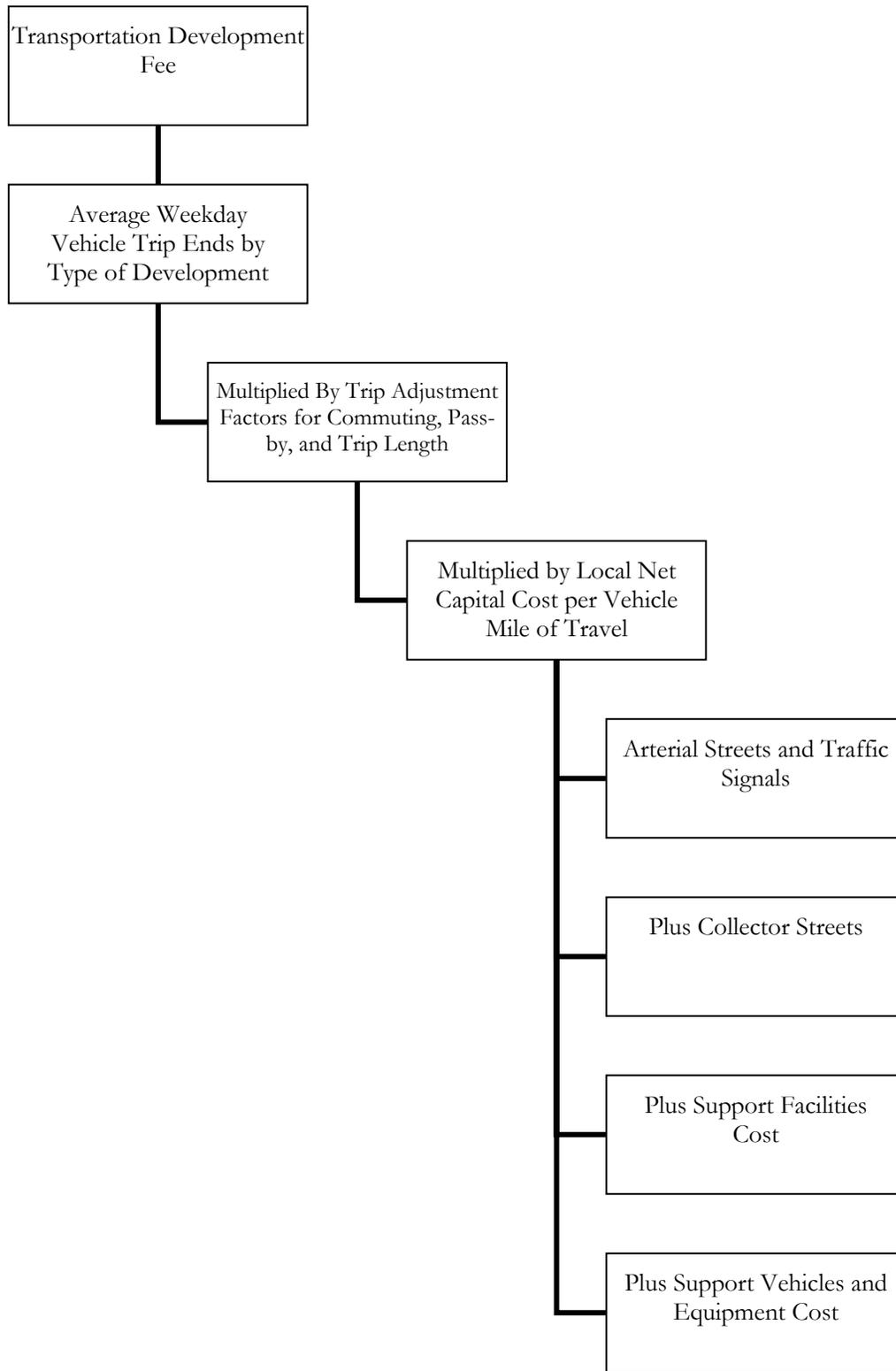
METHODOLOGY

As shown in Figure 95, trip generation rates by type of development are multiplied by the capital cost per vehicle miles of travel (VMT) to yield the Transportation Development Fees. The methodology includes trip adjustment factors for commuting patterns, pass-by trips and average trip length variation by type of land use.

The buy-in methodology is used for recently completed arterial streets which have excess capacity from which new growth will benefit. The plan-based methodology is used to measure the LOS that will be provided from planned capacity improvements to arterial streets and planned capacity improvements to collector streets. Under the plan-based methodology, there are two approaches considered. The *marginal cost approach* is used for projects which are the result of new growth only. These costs are allocated to the net increase in VMT's provided by the planned capacity improvements. The *average cost approach* is used for planned capacity improvements that result from both existing and future development. Under this approach, costs are conservatively allocated to both new and existing development and ensure that new growth pays only its share of the costs.

The buy-in methodology is used for the support facilities component of the Transportation Development Fee, while the incremental expansion methodology is used for support vehicles and equipment.

Figure 95: Transportation Development Fee Methodology



TRIP GENERATION RATES

Trip generation rates from the Institute of Transportation Engineers (ITE) *Trip Generation Manual*. The Transportation Development Fees are based on average weekday vehicle trip ends. A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate the development fees, trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50%. As discussed further below, the development fee methodology includes additional adjustments to make the fees more proportionate to the infrastructure demand for particular types of development.

ADJUSTMENT FOR JOURNEY-TO-WORK COMMUTING

Residential development has a higher trip adjustment factor of 65% to account for commuters leaving Avondale for work. According to the *National Household Transportation Survey* (see Table 6, Federal Highway Administration, 2001) home-based work trips are typically 31% of production trips (i.e., all out-bound trips, which are 50% of all trip ends). Also, Census 2000 data from Table P27 in Summary File 3 indicates that 94% of Avondale's workers travel outside the City for work. In combination, these factors ($0.31 \times 0.50 \times 0.94 = 0.15$) account for 15% of production trips. The total adjustment factor for residential includes attraction trips (50% of trip ends) plus the journey-to-work commuting adjustment (15% of production trips) for a total of 65%.

ADJUSTMENT FOR PASS-BY TRIPS

Data contained in the book *Trip Generation Manual* indicates there is an inverse relationship between the size of shopping centers and pass-by trips. Therefore, appropriate trip adjustment factors have been calculated according to shopping center size (see Figure 96 below). For shopping center/retail development, the trip adjustment factor is less than 50% because these land uses attract vehicles as they pass by on arterial streets. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For a small-size shopping center of 50,000 square feet of floor area, the *Trip Generation Manual* indicates that on average 39% of the vehicles that enter are passing by on their way to some other primary destination. The remaining 61% of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 61% multiplied by 50%, or approximately 31% of the trip ends.

Figure 96: Shopping Center/Retail Trip Rates and Adjustment Factors

Floor Area in thousands (KSF)	Commercial Pass-by Trips*	Commercial Trip Adj Factor**	Shopping Centers (ITE 820)		General Office (ITE 710)		Shopping Centers (ITE 820)		General Office (ITE 710)	
			Trip Ends	Rate/KSF	Trip Ends	Rate/KSF	Trip Ends	Rate/KSF	Trip Ends	Rate/KSF
			10	52%	24%	1,520	152.03	227	22.66	137
25	45%	28%	2,758	110.32	459	18.35	251	10.03	107	4.27
50	39%	31%	4,328	86.56	782	15.65	396	7.92	135	2.70
100	34%	33%	6,791	67.91	1,334	13.34	626	6.26	191	1.91
200	29%	36%	10,656	53.28	2,275	11.37	989	4.95	303	1.51
400	23%	39%	16,722	41.80	3,879	9.70	1,563	3.91	527	1.32
800	18%	41%	26,239	32.80	6,615	8.27	2,470	3.09	975	1.22

Source: *Trip Generation*, Institute of Transportation Engineers, 2003.

* Based on data published by ITE in *Trip Generation Handbook* (2004), the best trendline correlation between pass-by trips and floor area is a logarithmic curve with the equation $((-7.6812 * \ln(KSF)) + 69.293)$.

** To convert trip ends to vehicle trips, the standard adjustment factor is 50%. Due to pass-by trips, commercial trip adjustment factors are lower, as derived from the following formula $(0.50 * (1 - \text{passby pct}))$.

AVERAGE TRIP LENGTH ADJUSTMENT BY LAND USE

The demand for street infrastructure is a function of both the number of vehicle trips and the distance traveled. Multiplying the number of vehicle trips by the average trip length (in miles) yields vehicle miles of travel (VMT). The Transportation Development Fee methodology includes a percentage adjustment to account for trip length variation by type of land use. As documented in Table 6 of the *National Household Travel Survey* (FHWA, 2001), vehicle trips from residential development are approximately 122% of the average trip length. Trips associated with residential development include home-based work trips plus social and recreational purposes. Conversely, shopping trips associated with commercial development are roughly 68% of the average trip length, while other nonresidential development typically accounts for trips that are 75% of the average trip length.

ARTERIAL STREETS

The arterial streets component of the Transportation Development Fee contains three elements: recently completed arterials projects which still have available capacity, planned capacity improvements for arterial streets, and traffic signals for arterial streets.

Figure 97 list arterial streets the City has recently completed which still have available capacity to be utilized by new development. These streets total 21 lane miles with a current value of \$24,011,892.

Figure 97: Recently Completed Arterial Street

<i>Project</i>	<i>Classification</i>	<i>Lane Miles</i>	<i>Year Completed</i>	<i>Years of Capacity</i>	<i>Year at Capacity</i>	<i>Original Cost</i>	<i>Accumulated Depreciation</i>	<i>Current Value</i>
Van Buren - Lajolla to Agua Fria	Arterial	2.00	2000	10	2010	\$1,421,101	\$994,771	\$426,330
Dysart - North of I-10	Arterial	2.00	2000	10	2010	\$1,087,260	\$761,082	\$326,178
McDowell - East of Dysart	Arterial	1.00	2000	10	2010	\$548,471	\$383,930	\$164,541
Dysart - South of I-10	Arterial	1.00	2001	10	2011	\$1,985,162	\$1,191,097	\$794,065
Main Street - Litchfield to Agua Fria	Arterial	2.00	2001	10	2011	\$1,000,575	\$600,345	\$400,230
Avondale Blvd - Buckeye to I-10	Arterial	6.00	2004	10	2014	\$12,212,917	\$3,663,875	\$8,549,042
107th Ave - Durango to Apache	Arterial	0.50	2005	10	2015	\$295,112	\$59,022	\$236,090
107th Ave - Thomas to RID	Arterial	1.00	2005	10	2015	\$1,300,197	\$260,039	\$1,040,158
Thomas - 107th to RID	Arterial	1.00	2005	10	2015	\$559,923	\$111,985	\$447,938
Dysart - Van Buren to I-10	Arterial	1.00	2006	10	2016	\$866,524	\$86,652	\$779,872
Dysart Underpass	Arterial	0.50	2006	10	2016	\$3,409,881	\$340,988	\$3,068,893
McDowell - 99th Ave to Avondale Blvd	Arterial	3.00	2006	10	2016	\$8,642,840	\$864,284	\$7,778,556
TOTAL		21.00				\$33,329,963	\$9,318,071	\$24,011,892

The City plans to construct 22.75 lane miles of arterial streets over the next five years at a cost of \$38,764,193 to the City.

Figure 98: Planned Arterial Streets

<i>Project</i>	<i>Classification</i>	<i>New Lane Miles</i>	<i>TOTAL</i>
127th Ave - Lower Buckeye to Dysart	Arterial	2.00	\$1,500,000
Avondale Blvd - North of Encanto	Arterial	0.50	\$634,000
Avondale Blvd - Lower Buckeye to Miami	Arterial	0.50	\$672,000
Avondale Blvd Northbound @ I-10 Right Lane	Arterial	0.25	\$450,000
Avondale Blvd/Buckeye Intersection	Arterial	0.50	\$1,112,000
Dysart Rd - Lower Buckeye to Buckeye	Arterial	2.00	\$2,680,000
El Mirage - Lower Buckeye to Whyman	Arterial	0.50	\$800,000
Litchfield Road - Broadway to Lower Buckeye	Arterial	2.00	\$1,600,000
Van Buren Bridge to Fairway	Arterial	1.00	\$1,334,000
Van Buren St - Avondale Blvd to 99th Ave	Arterial	4.30	\$8,075,000
Avondale Blvd - I-10 to McDowell	Arterial	1.00	\$2,836,193
Avondale Blvd - McDowell to Thomas	Arterial	1.50	\$1,452,000
Avondale Blvd Bridge Widening - N of I-10	Arterial	0.50	\$3,200,000
Dysart Road - Dysart Rd/Van Buren Intersection	Arterial	0.00	\$1,000,000
Dysart Road - Indian School to Thomas	Arterial	2.00	\$3,800,000
107th Ave - I-10 to Van Buren	Arterial	2.40	\$4,503,000
99th Ave - I-10 to Van Buren	Arterial	0.80	\$1,216,000
McDowell Rd - 119th Ave to Avondale Blvd	Arterial	1.00	\$1,900,000
TOTAL		22.75	\$38,764,193

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011 and Avondale Transportation Plan.

Figure 99 lists twenty traffic signals the City plans to construct over the next five years at a cost of \$11,195,500.

Figure 99: Planned Traffic Signals for Arterial Streets

<i>Traffic Signal Location</i>	<i>Classification</i>	<i>TOTAL</i>
107th Ave & Lower Buckeye	Arterial	\$550,000
107th Ave & Pierce	Arterial	\$550,000
107th Ave & Roosevelt	Arterial	\$550,000
111th Ave & Van Buren	Arterial	\$550,000
119th Ave & Lower Buckeye	Arterial	\$550,000
4th Street & Van Buren	Arterial	\$550,000
Avondale & Corporate Dr	Arterial	\$550,000
Avondale & Encanto	Arterial	\$600,000
Avondale & Lower Buckeye	Arterial	\$650,000
El Mirage & Lower Buckeye	Arterial	\$650,000
Links Drive & Van Buren	Arterial	\$750,000
107th Ave & Dealer Dr	Arterial	\$550,000
107th Ave & Van Buren	Arterial	\$648,000
119th Ave & McDowell	Arterial	\$600,000
Avondale & Maricopa	Arterial	\$550,000
Avondale & Thomas	Arterial	\$600,000
Avondale Blvd & Coldwater	Arterial	\$717,000
Avondale Blvd & Whyman	Arterial	\$550,000
Central & Lower Buckeye	Arterial	\$600,000
Indian School & El Mirage	Arterial	\$600,000
TOTAL		\$11,915,000

Source: City of Avondale *Capital Improvements Plan*, Fiscal Years 2007-2011.

VEHICLE MILES OF TRAVEL ON RECENTLY COMPLETED AND PLANNED ARTERIAL STREETS

VMT is the product of the number of vehicle trips multiplied by the average trip length. These factors are discussed below.

Arterial Vehicle Trips from Development in Avondale

Figure 100 documents projected vehicle trips and VMT on the recently completed and planned arterial improvements associated with development in Avondale through FY2021. The planned projects are expected to provide ten years of capacity beyond their completion date. Since the planned projects will be constructed by FY2011, FY2021 (FY2011+10 years) is used as the endpoint of the capacity horizon for the planned projects.

The demographic data shown in the boxes at the top of the table are from Appendix A at the back of this report. Trip generation rates and trip adjustment factors, as used in the development fee calculations, convert projected development into average weekday vehicle trips (shown with gray shading).

Lane Miles

The recently completed and planned arterial streets total 43.75 lane miles.

Lane Capacity

The arterial improvements component is based on an average lane capacity standard for arterials of 8,200 vehicles per lane.

Average Trip Length

Knowing the increase in vehicle trips, lane-miles from recently completed and planned arterials streets, and lane capacity, it is possible to derive the average trip length on the recently completed and planned arterial streets from new and existing residential and nonresidential growth in Avondale. Because the VMT calculations include the same adjustment factors used in the development fee calculations (i.e., residential commuting adjustment, commercial pass-by adjustment and average trip length adjustment by type of land use), the average trip length is determined through a series of iterations using spreadsheet software. As shown in Figure 100, the average trip length on the recently completed and planned arterial street projects by new and existing residential and nonresidential development is 1.53 miles.

Figure 100: Arterial Street Capacity Analysis

INPUT VARIABLES		Arterial Street Capacity Analysis										
		Avondale, Arizona										
				2 Year Intervals								
		Fiscal Year=>		2007	2009	2011	2013	2015	2017	2019	2021	
		DEMAND DATA										
Single Family Detached Weekday VTE per Unit	9.57	SINGLE FAMILY DETACHED	19,318	21,251	23,184	25,117	27,050	28,984	30,917	32,850		
Multi-family Weekday VTE per Unit	5.86	MULTI-FAMILY	3,589	3,921	4,253	4,585	4,917	5,249	5,582	5,914		
All Other Housing Weekday VTE per Unit	4.99	ALL OTHER TYPES OF HOUSING	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239		
Commercial Weekday VTE/KSF	86.56	COMMERCIAL KSF	1,142	1,757	2,448	3,216	4,062	4,984	5,984	7,061		
Office/Institutional Weekday VTE/KSF	18.35	OFFICE/INSTITUTIONAL KSF	2,543	2,625	2,717	2,819	2,932	3,055	3,188	3,331		
Industrial/Flex Weekday VTE/KSF	12.76	INDUSTRIAL/FLEX KSF	320	491	685	900	1,136	1,394	1,674	1,975		
Residential Trip Adj Factor	65%	SINGLE FAMILY DETACHED TRIPS	119,280	131,216	143,152	155,088	167,024	178,960	190,897	202,833		
Commercial Trip Adj Factor	31%	MULTI-FAMILY TRIPS	13,570	14,825	16,081	17,336	18,592	19,848	21,103	22,359		
Other Nonresidential Trip Adj Factor	50%	ALL OTHER TYPES OF HOUSING TRIPS	3,989	3,989	3,989	3,989	3,989	3,989	3,989	3,989		
County Road Trips	100%	COMMERCIAL TRIPS	30,655	47,136	65,686	86,305	108,993	133,750	160,575	189,469		
Average Miles per Arterial Trip Citywide	1.53	OFFICE/INSTITUTIONAL TRIPS	23,334	24,084	24,929	25,867	26,900	28,026	29,247	30,563		
Residential Trip Length	122%	INDUSTRIAL/FLEX TRIPS	2,039	3,135	4,368	5,740	7,248	8,895	10,679	12,600		
Commercial Trip Length	68%	TOTAL CITYWIDE ARTERIAL TRIPS	192,866	224,385	258,205	294,326	332,747	373,468	416,490	461,812		
Other Nonresidential Trip Length	75%	ARTERIAL VMT	317,052	361,027	407,426	456,247	507,492	561,159	617,250	675,763		
Ave. Arterial Capacity Per Lane	8,200	ARTERIAL LANE MILES	38.66	44.03	49.69	55.64	61.89	68.43	75.27	82.41		
		ANNUAL ARTERIAL LANE MILES NEEDED		2.72	2.87	3.01	3.16	3.31	3.46	3.60		
		CUMULATIVE ARTERIAL LANE MILES NEEDED		5.36	11.02	16.98	23.22	29.77	36.61	43.75		

COST PER VMT FOR RECENTLY COMPLETED AND PLANNED ARTERIAL STREETS

The recently completed arterial street projects are the result of both existing and new development. The current values of each of the projects are divided by the total number of citywide arterial VMT's utilizing these projects (from both existing and new development) at the point when the projects reach capacity (10 years after their construction date). As shown in Figure 101 below, this results in a buy-in cost of \$48.24 per VMT.

Figure 101: Recently Completed Arterial Streets Cost per VMT

Project	Year Completed	Years of Capacity	Year at Capacity	Original Cost	Accumulated Depreciation	Current Value	Citywide VMT's at Capacity	Buy-in Cost per VMT
Van Buren - Lajolla to Agua Fria	2000	10	2010	\$1,421,101	\$994,771	\$426,330	383,924	\$1.11
Dysart - North of I-10	2000	10	2010	\$1,087,260	\$761,082	\$326,178	383,924	\$0.85
McDowell - East of Dysart	2000	10	2010	\$548,471	\$383,930	\$164,541	383,924	\$0.43
Dysart - South of I-10	2001	10	2011	\$1,985,162	\$1,191,097	\$794,065	407,426	\$1.95
Main Street - Litchfield to Agua Fria	2001	10	2011	\$1,000,575	\$600,345	\$400,230	407,426	\$0.98
Avondale Blvd - Buckeye to I-10	2004	10	2014	\$12,212,917	\$3,663,875	\$8,549,042	481,567	\$17.75
107th Ave - Durango to Apache	2005	10	2015	\$295,112	\$59,022	\$236,090	507,492	\$0.47
107th Ave - Thomas to RID	2005	10	2015	\$1,300,197	\$260,039	\$1,040,158	507,492	\$2.05
Thomas - 107th to RID	2005	10	2015	\$559,923	\$111,985	\$447,938	507,492	\$0.88
Dysart - Van Buren to I-10	2006	10	2016	\$866,524	\$86,652	\$779,872	534,023	\$1.46
Dysart Underpass	2006	10	2016	\$3,409,881	\$340,988	\$3,068,893	534,023	\$5.75
McDowell - 99th Ave to Avondale Blvd	2006	10	2016	\$8,642,840	\$864,284	\$7,778,556	534,023	\$14.57
TOTAL				\$33,329,963	\$9,318,071	\$24,011,892		\$48.24

For the planned arterial street projects, two cost allocation approaches are considered. The *marginal cost approach* is used for projects which are the result of new growth only. These costs are allocated to the net increase in VMT's utilizing the capacity of these projects through FY2021. The *average cost approach* is used for planned capacity improvements that result from both existing and future development. Under this approach, costs are conservatively allocated to both new and existing development utilizing the capacity of these projects through FY2021 and ensure that new growth pays only its share of the costs.

The total cost of the planned arterial streets projects which are the result of new growth total \$18,407,000. This figure is divided by the net increase in Citywide arterial VMT's on these projects through FY2021 (358,711) which is taken from Figure 100 above. This results in a cost per VMT of \$51.31.

The total cost of the planned arterial street projects which are the result of both new and existing development totals \$20,357,193. This figure is divided by the total number of Citywide arterial VMT's on these projects through FY2021 (675,763) which is taken from Figure 99 above. This results in a cost per VMT of \$30.12.

The total cost per VMT for planned arterial street improvements is \$81.44 (\$51.31+\$30.12=\$81.44).

Figure 102: Planned Arterial Street Improvements Cost per VMT

MARGINAL APPROACH

<i>Project</i>	<i>New Lane Miles</i>	<i>TOTAL</i>
127th Ave - Lower Buckeye to Dysart	2.00	\$1,500,000
Avondale Blvd - North of Encanto	0.50	\$634,000
Avondale Blvd - Lower Buckeye to Miami	0.50	\$672,000
Avondale Blvd/Buckeye Intersection	0.50	\$1,112,000
Dysart Rd - Lower Buckeye to Buckeye	2.00	\$2,680,000
El Mirage - Lower Buckeye to Whyman	0.50	\$800,000
Litchfield Road - Broadway to Lower Buckeye	2.00	\$1,600,000
Van Buren Bridge to Fairway	1.00	\$1,334,000
Van Buren St - Avondale Blvd to 99th Ave	4.30	\$8,075,000
TOTAL	13.30	\$18,407,000

Net Increase in VMT's Through FY2021 358,711

Cost per VMT \$51.31

AVERAGE APPROACH

<i>Project</i>	<i>New Lane Miles</i>	<i>TOTAL</i>
Avondale Blvd - I-10 to McDowell	1.00	\$2,836,193
Avondale Blvd - McDowell to Thomas	1.50	\$1,452,000
Avondale Blvd Bridge Widening - N of I-10	0.50	\$3,200,000
Avondale Blvd Northbound @ I-10 Right Lane	0.25	\$450,000
Dysart Road - Dysart Rd/Van Buren Intersection	0.00	\$1,000,000
Dysart Road - Indian School to Thomas	2.00	\$3,800,000
107th Ave - I-10 to Van Buren	2.40	\$4,503,000
99th Ave - I-10 to Van Buren	0.80	\$1,216,000
McDowell Rd - 119th Ave to Avondale Blvd	1.00	\$1,900,000
TOTAL	9.45	\$20,357,193

Total Citywide VMT's Through FY2021 675,763

Cost per VMT \$30.12

TOTAL ARTERIAL COST PER VMT \$81.44

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011 and Avondale Transportation Plan.

The total costs of the planned traffic signals for arterial streets which are the result of new growth total \$6,500,000. This figure is divided by the net increase in Citywide arterial VMT's utilizing these projects through FY2021 (358,711) which are taken from Figure 100 above. This results in a cost per VMT of \$18.12.

The total costs of the planned traffic signals for arterial streets which are the result of both new and existing development total \$5,415,000. This figure is divided by the total number of Citywide arterial VMT's utilizing these projects through FY2021 (675,763) which are taken from Figure 100 above. This results in a cost per VMT of \$8.01.

The total cost per VMT utilizing the planned traffic signals for arterial streets is \$26.13 ($\$18.12 + \$8.01 = \26.13).

Figure 103: Planned Traffic Signal Improvements Cost per VMT

MARGINAL APPROACH

<i>Traffic Signal Location</i>	<i>TOTAL</i>
107th Ave & Lower Buckeye	\$550,000
107th Ave & Pierce	\$550,000
107th Ave & Roosevelt	\$550,000
111th Ave & Van Buren	\$550,000
119th Ave & Lower Buckeye	\$550,000
4th Street & Van Buren	\$550,000
Avondale & Corporate Dr	\$550,000
Avondale & Encanto	\$600,000
Avondale & Lower Buckeye	\$650,000
El Mirage & Lower Buckeye	\$650,000
Links Drive & Van Buren	\$750,000
TOTAL	\$6,500,000

Net Increase in VMT's Through FY2021 358,711

Cost per VMT \$18.12

AVERAGE APPROACH

<i>Traffic Signal Location</i>	<i>TOTAL</i>
107th Ave & Dealer Dr	\$550,000
107th Ave & Van Buren	\$648,000
119th Ave & McDowell	\$600,000
Avondale & Maricopa	\$550,000
Avondale & Thomas	\$600,000
Avondale Blvd & Coldwater	\$717,000
Avondale Blvd & Whyman	\$550,000
Central & Lower Buckeye	\$600,000
Indian School & El Mirage	\$600,000
TOTAL	\$5,415,000

Total Citywide VMT's Through FY2021 675,763

Cost per VMT \$8.01

TOTAL TRAFFIC SIGNAL COST PER VMT \$26.13

Source: City of Avondale *Capital Improvements Plan*, Fiscal Years 2007-2011.

COLLECTOR STREETS

The collector streets component of the Transportation Development Fee includes planned capacity improvements for collector streets.

The City plans to construct 2.71 lane miles of collector streets in the next five years at a cost of \$3,555,000 to the City.

Figure 104: Planned Collector Streets

<i>Project</i>	<i>Classification</i>	<i>New Lane Miles</i>	<i>TOTAL</i>
119th Ave Extension - South of Virginia	Collector	0.11	\$430,000
Eliseo Felix Box Culvert/Road Extension	Collector	1.00	\$300,000
Roosevelt Street - East of Avondale Blvd	Collector	0.50	\$950,000
Encanto Blvd - Avondale Blvd to 112th Ave	Collector	0.60	\$1,140,000
103rd Ave - Holly/Granada (E. Half)	Collector	0.25	\$550,000
Palm Lane Extension - 117th to 118th	Collector	0.25	\$185,000
TOTAL		2.71	\$3,555,000

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011 and Avondale Transportation Plan.

VEHICLE MILES OF TRAVEL ON PLANNED COLLECTOR STREETS

VMT is the product of the number of vehicle trips multiplied by the average trip length. These factors are discussed below.

Collector Vehicle Trips from Development in Avondale

Figure 105 documents projected vehicle trips and VMT on the planned collector improvements associated with development in Avondale over through FY2021. The planned projects are expected to provide ten years of capacity beyond their completion date. Since the planned projects will be constructed by FY2011, FY2021 (FY2011+10 years) is used as the endpoint of the capacity horizon for the planned projects.

The demographic data shown in the boxes at the top of the table are from Appendix A at the back of this report. Trip generation rates and trip adjustment factors, as used in the development fee calculations, convert projected development into average weekday vehicle trips (shown with gray shading).

Lane Miles

The planned collector street projects total 2.71 lane miles.

Lane Capacity

The collector improvements component is based on an average lane capacity standard for collectors of 8,175 vehicles per lane.

Average Trip Length

Knowing the increase in vehicle trips, lane-miles of planned collector streets, and lane capacity, it is possible to derive the average trip length on the planned collector streets from new and existing residential and nonresidential growth in Avondale. Because the VMT calculations include the same adjustment factors used in the development fee calculations (i.e., residential commuting adjustment, commercial pass-by adjustment and average trip length adjustment by type of land use), the average trip length is determined through a series of iterations using spreadsheet software. As shown in Figure 105, the average trip length on the planned collector street projects by new and existing residential and nonresidential development is 0.09 miles.

Figure 105: Collector Street Capacity Analysis

INPUT VARIABLES		Collector Street Capacity Analysis Avondale, Arizona								
		Fiscal Year=>		2 Year Intervals						
		2007	2009	2011	2013	2015	2017	2019	2021	
DEMAND DATA										
Single Family Detached Weekday VTE per Unit	9.57	SINGLE FAMILY DETACHED	19,318	21,251	23,184	25,117	27,050	28,984	30,917	32,850
Multi-family Weekday VTE per Unit	5.86	MULTI-FAMILY	3,589	3,921	4,253	4,585	4,917	5,249	5,582	5,914
All Other Housing Weekday VTE per Unit	4.99	ALL OTHER TYPES OF HOUSING	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239
Commercial Weekday VTE/KSF	86.56	COMMERCIAL KSF	1,142	1,757	2,448	3,216	4,062	4,984	5,984	7,061
Office/Institutional Weekday VTE/KSF	18.35	OFFICE/INSTITUTIONAL KSF	2,543	2,625	2,717	2,819	2,932	3,055	3,188	3,331
Industrial/Flex Weekday VTE/KSF	12.76	INDUSTRIAL/FLEX KSF	320	491	685	900	1,136	1,394	1,674	1,975
Residential Trip Adj Factor	65%	SINGLE FAMILY DETACHED TRIPS	119,280	131,216	143,152	155,088	167,024	178,960	190,897	202,833
Commercial Trip Adj Factor	31%	MULTI-FAMILY TRIPS	13,570	14,825	16,081	17,336	18,592	19,848	21,103	22,359
Other Nonresidential Trip Adj Factor	50%	ALL OTHER TYPES OF HOUSING TRIPS	3,989	3,989	3,989	3,989	3,989	3,989	3,989	3,989
County Road Trips	100%	COMMERCIAL TRIPS	30,655	47,136	65,686	86,305	108,993	133,750	160,575	189,469
Average Miles per Collector Trip Citywide	0.09	OFFICE/INSTITUTIONAL TRIPS	23,334	24,084	24,929	25,867	26,900	28,026	29,247	30,563
Residential Trip Length	122%	INDUSTRIAL/FLEX TRIPS	2,039	3,135	4,368	5,740	7,248	8,895	10,679	12,600
Commercial Trip Length	68%	TOTAL CITYWIDE COLLECTOR TRIPS	192,866	224,385	258,205	294,326	332,747	373,468	416,490	461,812
Other Nonresidential Trip Length	75%	COLLECTOR VMT	19,596	22,314	25,182	28,199	31,367	34,684	38,150	41,767
Ave. Collector Capacity Per Lane	8,175	COLLECTOR LANE MILES	2.40	2.73	3.08	3.45	3.84	4.24	4.67	5.11
		ANNUAL COLLECTOR LANE MILES NEEDED		0.17	0.18	0.19	0.20	0.21	0.21	0.22
		CUMULATIVE COLLECTOR LANE MILES NEEDED		0.33	0.68	1.05	1.44	1.85	2.27	2.71

COST PER VMT FOR PLANNED COLLECTOR STREETS

Two cost allocation approaches are considered for the planned collector street projects. The *marginal cost approach* is used for projects which are the result of new growth only. These costs are allocated to the net increase in VMT's on these projects through FY2021. The *average cost approach* is used for planned capacity improvements that result from both existing and future development. Under this approach, costs are conservatively allocated to both new and existing development utilizing these projects through FY2021 and ensure that new growth pays only its share of the costs.

The total cost of the planned collector streets projects which are the result of new growth only total \$2,820,000. This figure is divided by the net increase in Citywide collector VMT's utilizing these projects through FY2021 (22,171) which is taken from Figure 105 above. This results in a cost per VMT of \$127.19.

The total cost of the planned collector street projects which are the result of both new and existing development total \$735,000. This figure is divided by the total number of Citywide collector VMT's utilizing these projects through FY2021 (41,767) which is taken from Figure 105 above. This results in a cost per VMT of \$17.60.

The total cost per VMT utilizing the planned collector street improvements is \$144.79 (\$127.19+\$17.60=\$144.79).

Figure 106: Planned Collector Street Improvements Cost per VMT

MARGINAL APPROACH

<i>Project</i>	<i>New Lane Miles</i>	<i>TOTAL</i>
119th Ave Extension - South of Virginia	0.11	\$430,000
Eliseo Felix Box Culvert/Road Extension	1.00	\$300,000
Roosevelt Street - East of Avondale Blvd	0.50	\$950,000
Encanto Blvd - Avondale Blvd to 112th Ave	0.60	\$1,140,000
TOTAL	2.21	\$2,820,000

Net Increase in VMT's Through FY2021 22,171

Cost per VMT \$127.19

AVERAGE APPROACH

<i>Project</i>	<i>New Lane Miles</i>	<i>TOTAL</i>
103rd Ave - Holly/Granada (E. Half)	0.25	\$550,000
Palm Lane Extension - 117th to 118th	0.25	\$185,000
TOTAL	0.50	\$735,000

Total Citywide VMT's Through FY2021 41,767

Cost per VMT \$17.60

TOTAL COLLECTOR COST PER VMT \$144.79

Source: City of Avondale Capital Improvements Plan, Fiscal Years 2007-2011 and Avondale Transportation Plan.

TRANSPORTATION SUPPORT FACILITIES

The buy-in methodology is used to calculate the support facilities component of the Transportation Development Fee. The first step of the analysis determines the level-of-service (LOS) that will be provided when the facilities are at full capacity. The second step involves determining the cost per trip to provide this LOS.

Transportation Support Facilities – LOS Analysis

Figure 107 lists the current inventory of support facilities which total 5,836 square feet. These facilities will provide sufficient capacity through FY2012. The buy-in LOS for support facilities is calculated as follows: 5,836 square feet/237,761 vehicles trips on an average weekday in FY2012) = 0.02 square feet per trip.

Figure 107: Transportation Support Facilities LOS Standards

<i>Buildings</i>	<i>Square Feet</i>
Field Operations - Streets	3,386
Municipal Operations - Streets	2,450
TOTAL	5,836
<i>Demand Units FY2012</i>	
Average Weekday Vehicle Trips	237,761
<i>LOS</i>	
Square feet per trip	0.02

Transportation Support Facilities – Cost Analysis

The original cost of the transportation support facilities was \$197 per square foot. This results in a cost factor of \$4.84 per trip. This is calculated by multiplying the buy-in LOS of 0.02 square feet per trip by \$197 per square foot ($0.02 \times \$197 = \4.84).

Figure 108: Transportation Support Facilities Cost Standards

<i>LOS</i>	
Square feet per trip	0.02
<i>Cost Factor</i>	
Original Cost per Square Foot	\$197
<i>Cost</i>	
Per Trip	\$4.84

* Avondale Field Operations Department based construction cost of Municipal Operations Center.

TRANSPORTATION SUPPORT VEHICLES & EQUIPMENT

The incremental expansion methodology is used to calculate the support vehicles and equipment component of the Transportation Development Fee. The first step of the analysis determines the current level-of-service (LOS) being provided to existing development. The second step involves determining the cost per trip to provide this LOS.

Support Vehicles & Equipment – LOS Analysis

Figure 109 lists the current fleet of vehicles and equipment used to support the City’s transportation infrastructure. The current LOS for is calculated as follows: (36 vehicles/162,071 vehicle trips) = 0.0002 vehicles per trip.

Figure 109: Transportation Support Vehicles & Equipment LOS Standards

<i>Division/Vehicles</i>	<i># of Units</i>
Traffic Engineering	
Bucket Truck	2
Pickup Truck	1
Display Boards	4
Street Maintenance	
Line Stripper	1
Compressor	1
Bush Chipper	1
Skid Loader	1
Crack Sealer	1
Pickup Truck	7
Roller	1
Backhoe	1
Green Lay Down	1
Dump Truck	2
Grader	1
Trailer	1
Arrowboards	2
Forlift	1
Wheel Loader	1
Water Truck	1
Patcher Truck	1
Sweeper	4
TOTAL	36
<i>Demand Units FY2007</i>	
Average Weekday Vehicle Trips	162,071
<i>LOS</i>	
Vehicles/equipment per trip	0.0002

Support Vehicles & Equipment – Cost Analysis

The City’s Fleet Service Division estimates the current fleet of transportation related vehicles and equipment to have a total value of \$2,494,370, an average of \$69,288 per unit (\$2,494,370/36 units = \$69,288). This results in a cost factor of \$15.39 per trip. This is calculated by multiplying the current LOS of 0.0002 vehicles per trip by \$69,288 per unit (0.0002 x \$69,288 = \$15.39).

Figure 110: Transportation Support Vehicles & Equipment Cost Standards

<i>Division/Vehicles</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>TOTAL</i>
Traffic Engineering			
Bucket Truck	2	\$24,000	\$48,000
Pickup Truck	1	\$21,000	\$21,000
Display Boards	4	\$21,000	\$84,000
Street Maintenance			
Line Stripper	1	\$6,700	\$6,700
Compressor	1	\$12,000	\$12,000
Bush Chipper	1	\$13,570	\$13,570
Skid Loader	1	\$30,000	\$30,000
Crack Sealer	1	\$53,000	\$53,000
Pickup Truck	7	\$30,000	\$210,000
Roller	1	\$50,000	\$50,000
Backhoe	1	\$80,000	\$80,000
Green Lay Down	1	\$80,000	\$80,000
Dump Truck	2	\$92,250	\$184,500
Grader	1	\$200,000	\$200,000
Trailer	1	\$10,000	\$10,000
Arrowboards	2	\$6,000	\$12,000
Forlift	1	\$90,000	\$90,000
Wheel Loader	1	\$150,000	\$150,000
Water Truck	1	\$109,600	\$109,600
Patcher Truck	1	\$150,000	\$150,000
Sweeper	4	\$225,000	\$900,000
TOTAL	36		\$2,494,370

Average Cost per Vehicle/Equipment => \$69,288

LOS

Vehicles/equipment per trip 0.0002

Cost Factor

Average Cost per Vehicle/Equipment \$69,288

Cost

Per Trip \$15.39

* Avondale Fleet Services Division.

PRINCIPAL PAYMENT CREDITS

Avondale is making payments on General Obligation (G.O.) bonds that financed transportation projects. To avoid potential double payment for these facilities, a principal payment credit is shown in Figure 111. Because interest costs have not been added to the development fees, a credit is not necessary for future interest payments. Due to the time value of future payments, a net present

value adjustment is used in the calculation of the credit. The credit is calculated to be \$15.03 per VMT on a net present value basis.

Figure 111: Principal Payment Credits

<i>Fiscal Year</i>	<i>Series 2003B</i>	<i>Projected</i>	<i>Credit per VMT</i>
	<i>Principal Payments</i>	<i>Arterial VMT's</i>	
2007	\$745,000	317,052	\$2.35
2008	\$1,100,000	338,737	\$3.25
2009	\$1,525,000	361,027	\$4.22
2010	\$2,015,000	383,924	\$5.25
2011	\$1,090,000	407,426	\$2.68
Discount Rate			5.50%
Net Present Value			\$15.03

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Transportation Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$17,300) is allocated to the projected increase in vehicle trips over the next three years. A three year period is used since this is the period of time at which the development fee methodology should be revisited in a growing community. This results in a development fee study cost per demand unit of \$0.40 per trip (\$17,300/43,689 trips).

TRANSPORTATION DEVELOPMENT FEE

Factors used to derive the Transportation Development Fees are shown in Figure 112 below.

Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Transportation Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

Capital cost for the average length trip is derived from level-of-service components shown near the bottom of Figure 112. The capital cost for the average length trip is the product of the average trip length on the projects multiplied by the trip length adjustment factor and the capital cost per vehicle mile of travel. For example, the capital cost for buy-in arterial street improvements for residential

development is $1.53 \text{ miles} \times 1.27 \times \$48.24 = \$90.23$ per trip. This is repeated for other street capacity component for commercial and other nonresidential land uses.

Costs for support facilities, vehicles, equipment, and the development fee study are added to these street components costs.

Figure 112: Transportation Development Fee Level of Service Standard Summary

ITE Code	Residential	Commercial / Shopping Ctrs	Other Nonres
Weekday Vehicle Trip Ends			
<i>Residential (per Housing Unit)</i>			
210 Single Family	9.57		
220 Multi-Family	5.86		
240 All Other Types of Housing	4.99		
<i>Nonresidential (per 1,000 Square Feet of Floor Area)</i>			
820 Com / Shop Ctr 25,000 SF or less		110.32	
820 Com / Shop Ctr 25,001-50,000 SF		86.56	
820 Com / Shop Ctr 50,001-100,000 SF		67.91	
820 Com / Shop Ctr 100,001-200,000 SF		53.28	
820 Com / Shop Ctr over 200,000 SF		41.80	
710 Office / Inst 10,000 SF or less			22.66
710 Office / Inst 10,001-25,000 SF			18.35
710 Office / Inst 25,001-50,000 SF			15.65
710 Office / Inst 50,001-100,000 SF			13.34
710 Office / Inst over 100,000 SF			11.37
770 Business Park			12.76
110 Light Industrial			6.97
150 Warehousing			4.96
140 Manufacturing			3.82
320 Motel (per room)			5.63
Trip Adjustment Factors	65%		50%
Com / Shop Ctr 25,000 SF or less		28%	
Com / Shop Ctr 25,001-50,000 SF		31%	
Com / Shop Ctr 50,001-100,000 SF		33%	
Com / Shop Ctr 100,001-200,000 SF		36%	
Com / Shop Ctr over 200,000 SF		39%	
Buy-in Arterial Cost Summary			
Arterials - Ave. Trip Length (miles)	1.53	1.53	1.53
Average Trip Length Adjustment	122%	68%	75%
Buy-in Arterial Cost Per VMT	\$48.24	\$48.24	\$48.24
Buy-in Arterial Cost for Ave. Length Trip	\$90.23	\$50.29	\$55.47
Planned Arterial Cost Summary			
Arterials - Ave. Trip Length (miles)	1.53	1.53	1.53
Average Trip Length Adjustment	122%	68%	75%
Planned Arterial Cost Per VMT	\$107.57	\$107.57	\$107.57
Planned Arterial Cost for Ave. Length Trip	\$201.19	\$112.14	\$123.68
Planned Collector Cost Summary			
Collectors - Ave. Trip Length (miles)	0.09	0.09	0.09
Average Trip Length Adjustment	122%	68%	75%
Planned Collectors Cost Per VMT	\$144.79	\$144.79	\$144.79
Planned Collector Cost for Ave. Length Trip	\$16.74	\$9.33	\$10.29
Credit			
Arterials - Ave. Trip Length (miles)	1.53	1.53	1.53
Average Trip Length Adjustment	122%	68%	75%
Credit Per VMT	(\$15.03)	(\$15.03)	(\$15.03)
Credit for Ave. Length Trip	(\$28.10)	(\$15.66)	(\$17.28)
Support Facilities Cost per Trip	\$4.84	\$4.84	\$4.84
Support Vehicles & Equipment Cost per Trip	\$15.39	\$15.39	\$15.39
Development Fee Study Cost Per Trip	\$0.40	\$0.40	\$0.40
Net Capital Cost Per Trip	\$300.67	\$176.72	\$192.78

The input variables listed above are used to derive the development fees shown in Figure 113 below. The development fees are the product of the trip generation rates multiplied by the trip adjustment factors multiplied by the net capital cost per trip. For example, the Transportation Development

Fee for a single-family detached house is 9.57 multiplied by 0.65 multiplied by \$300.67, which equals \$1,857 per unit.

Figure 113: Transportation Development Fee Schedule

Development Fees

Residential (per housing unit)

- 210 Single Family
- 220 Multi-Family
- 240 All Other Types of Housing

Nonresidential Per 1,000 Square Feet of Floor Area/Motel Room

- 820 Commercial / Shopping Center 25,000 SF or less
- 820 Commercial / Shopping Center 25,001-50,000 SF
- 820 Commercial/Shopping Center 50,001-100,000 SF
- 820 Commercial/Shopping Center 100,001-200,000 SF
- 820 Commercial/Shopping Center over 200,000 SF
- 710 Office 10,000 SF or less
- 710 Office 10,001-25,000 SF
- 710 Office 25,001-50,000 SF
- 710 Office 50,001-100,000 SF
- 710 Office 100,000 SF
- 770 Business Park
- 110 Light Industrial
- 150 Warehousing
- 140 Manufacturing
- 320 Motel (per room)

Residential	Commercial / Shopping Ctrs	Other Nonres
\$1,857		
\$1,137		
\$968		
	\$5,459	
	\$4,742	
	\$3,960	
	\$3,390	
	\$2,881	
		\$2,184
		\$1,769
		\$1,509
		\$1,286
		\$1,096
		\$1,230
		\$672
		\$478
		\$368
		\$543

Implementation and Administration

As specified in the Development Fees Act, there are certain accounting requirements that must be met by the City. Monies received shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by ARS 9-463.05. Interest earned on monies in the separate fund shall be credited to the fund.

Pursuant to ARS 9-463.05, the City will prepare an annual report that will keep government and private sector leaders informed of the performance of development fees. The report will contain basic information such as the revenue generated by each type of public facility. At the time of the annual report, suggested improvements can be acted upon and necessary updates incorporated in the adopted ordinance.

All costs in the development fee calculations are given in current dollars with no assumed inflation rate over time. Necessary cost adjustments can be made as part of the recommended annual evaluation and update of development fees. One approach is to adjust for inflation in construction costs by means of an index like the one published by Engineering News Record (ENR). This index could be applied against the calculated development fee. If cost estimates change significantly the City should redo the fee calculations.

Residential development categories are based on data from the 2000 U.S. Census Summary File 3 for Avondale. Specifically:

Single Family Detached – units in structure: 1-detached and 1-attached, owner and renter occupied.

Multi-Family – units in structure: 2, 3 - 4, 5 – 9, 10 – 19, 20 – 49, 50 or more, owner and renter occupied.

All Other Housing Types – units in structure: mobile homes, other, owner and renter occupied.

Nonresidential development categories are based on land use classifications from the book Trip Generation (ITE, 2003). A summary description of each development category is provided below.

Shopping Center (820) – A shopping center is an integrated group of commercial establishments that are planned, developed, owned and managed as a unit. A shopping center provides on-site parking facilities sufficient to serve its own parking demands. Shopping centers may contain non-merchandizing facilities, such as office buildings, movie theaters, restaurants, post offices, banks, health clubs and recreational facilities. In addition to the integrated unit of shops in one building or enclosed around a mall, many shopping centers include out-parcels. For smaller centers without an enclosed mall or peripheral buildings, the Gross Leasable Area (GLA) may be the same as the Gross Floor Area (GFA) of the building.

General Office (710) – A general office building houses multiple tenants including, but not limited to, professional services, insurance companies, investment brokers

and tenant services such as banking, restaurants and service retail facilities. In the development fees study, this category is used as a proxy for institutional uses that may have more specific land use codes.

Business Park (770) – Business parks consist of a group of flex-type buildings served by a common roadway system. The tenant space lends itself to a variety of uses, with the rear side of the building usually served by a garage door. The tenant space includes a variety of uses with an average mix of 20 to 30 percent office/commercial and 70 to 80 percent industrial/warehousing.

Light Industrial (110) – Light industrial facilities usually employ fewer than 500 persons and have an emphasis on activities other than manufacturing. Typical light industrial activities include, but are not limited to printing plants, material-testing laboratories and assembling of data processing equipment.

Warehousing (150) – Warehouses are primarily devoted to the storage of materials.

Manufacturing (140) – In manufacturing facilities, the primary activity is the conversion of raw materials or parts into finished products.

Motel (320) - A place of lodging that provides sleeping accommodations and often a restaurant. They offer free on-site parking and provide little or no meeting space and few (if any) supporting facilities.

For development types not shown above, Avondale staff may use the most appropriate rates from the ITE manual or rates from approved local transportation studies or observed data.

Appendix A: Demographic Estimates and Development Projections

As specified in Task 1 of our Work Scope, TischlerBise has prepared documentation on current demographic *estimates* and development *projections* that will be used in the development fee study. The demographic data estimates are for the current year and are used in calculating current levels-of-service (LOS). The development projections are used for the purpose of having an understanding of future LOS, development fee revenues, and capital expenditures. Our recommended approach is to forecast housing units and employment (by place of work) and then derive all other demand factors from these key demand indicators.

The estimates and projections in this report apply only to that portion of the City's planning area located north of the Estrella Mountains.

A note on rounding: Calculations throughout this report are based on analysis conducted using Excel software. Results are discussed in the report using one-and two-digit places (in most cases), which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not due to rounding in the analysis).

PERSONS PER HOUSEHOLD

A differentiation by type of housing is necessary to make residential development fees proportionate and reasonably related to the demand for public facilities. Household size is an important demographic factor that helps account for variations in service demand by type of housing. The best source of this data is the 2000 U.S. Census, Summary File 3. The data for the City of Avondale is shown in Figure A-1 below.

Figure A-1: Estimated Household Size in Avondale

Units in Structure	Owner-Occupied			Renter-Occupied			Combined			Hsg Units
	Persons	Hsehllds	PPH	Persons	Hsehllds	PPH	Persons	Hsehllds	PPH	
1-Detached	24,526	7,219	3.40	3,308	860	3.85	27,834	8,079	3.45	8,416
1-Attached	386	94	4.11	278	77	3.61	664	171	3.88	176
Two	20	4	5.00	412	144	2.86	432	148	2.92	155
3-4	80	23	3.48	812	289	2.81	892	312	2.86	376
5-9	51	10	5.10	350	200	1.75	401	210	1.91	234
10-19	0	0	0.00	398	121	3.29	398	121	3.29	135
20-49	0	0	0.00	228	101	2.26	228	101	2.26	318
50 or more	0	0	0.00	798	342	2.33	798	342	2.33	363
Mobile Homes	3,011	879	3.43	946	250	3.78	3,957	1,129	3.50	1,217
Other	27	16	1.69	22	6	3.67	49	22	2.23	22
Total	28,101	8,245	3.41	7,552	2,390	3.16	35,653	10,635	3.35	11,412
										Vacant HU 777
										Vacancy Rate 6.8%

Source: 2000 US Census data from Summary File 3

Persons Per Household by Type in 2000

	Persons	Households	Person Per Household	Housing Units	Occ. Rate
Single Family Detached*	27,834	8,079	3.45	8,416	96.0%
Multi-family**	3,813	1,405	2.71	1,757	80.0%
All Other Types of Housing***	4,006	1,151	3.48	1,239	92.9%
Total Less Group Quarters	35,653	10,635	3.35	11,412	93.2%
Group Quarters	149				
TOTAL	35,802				
100% COUNT POPULATION	35,883				

* 1-Detached; Owner-Occupied and Renter-Occupied.

** 1-Attached, Two, 3-4, 5-9, 10-19, 20-49, 50 or more; Owner-Occupied and Renter-Occupied

*** Mobile Homes, Other; Owner-Occupied and Renter-Occupied.

HOUSING UNIT ESTIMATES AND PROJECTIONS

The total number of housing units (both occupied and vacant units) in the City is estimated to be 24,146. Of these 24,146 units, single family detached units total 19,318 units. There were also 3,589 multi-family units and 1,239 housing units in the category of “All Other Types of Housing” (the majority of these units are mobile homes). These estimates are based on the number of housing units at the time of 2000 Census and subsequent residential building permits activity through the end of FY2006. This is shown in Figure A-2 below.

Figure A-2: Residential Building Permit Activity FY2001-FY2006

	2000 Census (April)	April - June 2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	July 1, 2006	Permits Issued FY2001-06	Distribution Permits Last FY2001-06
Single Family Detached	8,416	238	2,041	1,881	1,642	1,999	1,896	1,205	19,318	10,664	85%
Multi-family	1,757	0	204	204	204	247	336	637	3,589	1,832	15%
All Other Types of Housing	1,239	0	0	0	0	0	0	0	1,239	0	0%
TOTAL	11,412	238	2,245	2,085	1,846	2,246	2,232	1,842	24,146	12,496	100%

Source: Permit data from City of Avondale.

The recently completed *Avondale Economic Development Plan* projects a total of 41,135 housing units to build out under the Conservative Buildout Scenario. City staff estimate build out to occur approximately FY2022. This results in an average of 1,133 housing units being added annually between FY2007 through FY2022.

Figure A-3: Housing Unit Projections

Fiscal Year =>	2007	2008	2009	2010	2011	5 Year Intervals			
						2012	2017	2022*	2027*
Projected Housing Units	24,146	25,279	26,411	27,544	28,676	29,809	35,472	41,135	41,135
Projected New Housing Units Added Annually	1,133	1,133	1,133	1,133	1,133	1,133	1,133	0	0

* Conservative Build-out Scenario, *Avondale Economic Development Plan*, 2006.

TischlerBise used the distribution of recent residential building permits from Figure A-2 to project the type of new housing units in Figure A-3. Single family detached units are projected to total 85% of new housing units with multi-family comprising the remaining 15%. Future housing units by type are projected in Figure A-4 below.

Figure A-4: Housing Unit Projections by Type

Fiscal Year =>	2007	2008	2009	2010	2011	5 Year Intervals				
						2012	2017	2022	2027	
Projected Housing Units	24,146	25,279	26,411	27,544	28,676	29,809	35,472	41,135	41,135	
Projected New Housing Units Added Annually	1,133	1,133	1,133	1,133	1,133	1,133	1,133	0	0	
Distribution of Projected New Housing Units	<i>Distrib. %**</i>									
Single Family Detached	85%	967	967	967	967	967	967	967	0	0
Multi-family	15%	166	166	166	166	166	166	166	0	0
All Other Types of Housing	0%	0	0	0	0	0	0	0	0	0
Projected Housing Units by Type										
Single Family Detached	19,318	20,285	21,251	22,218	23,184	24,151	28,984	33,816	33,816	
Multi-family	3,589	3,755	3,921	4,087	4,253	4,419	5,249	6,080	6,080	
All Other Types of Housing	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239	
TOTAL	24,146	25,279	26,411	27,544	28,676	29,809	35,472	41,135	41,135	

* Taken from Figure 3.

** Taken from Figure 2. Distribution of permits issued FY2001-FY2006.

POPULATION ESTIMATE & PROJECTIONS

The first step in determining the current population estimate is calculating the number of households (occupied housing units). The occupancy rates from the 2000 Census data in Figure A-1 are applied against recent residential building permit data from Figure A-2 to determine the current estimate of households. This is shown in Figure A-5 below.

Figure A-5: Household Estimate

	2000 Census (April)	April - June 2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	July 1, 2006
Single Family Detached	8,079	228	1,959	1,806	1,576	1,919	1,820	1,157	18,544
Multi-family	1,405	0	163	163	163	198	269	509	2,870
All Other Types of Housing	1,151	0	0	0	0	0	0	0	1,151
TOTAL	10,635	228	2,122	1,969	1,739	2,116	2,089	1,666	22,565

The current population is estimated to be 75,834 persons. This is calculated by multiplying the current number of households for each type of housing unit by the corresponding number of persons per household from Figure A-1. The number persons in group quarters from the 2000 Census are then added to this total.

Figure A-6: Population Estimate

	July 1, 2006 Households*		Persons Per Household**	=	Population in Households		Persons in Group Quarters**	=	TOTAL Population
Single Family Detached	18,544	x	3.45	=	63,890				
Multi-family	2,870	x	2.71	=	7,789				
All Other Types of Housing	1,151	x	3.48	=	4,006				
TOTAL	22,565				75,685	+	149	=	75,834

* Taken from Figure 5.

** Taken from Figure 1.

For future year round population projections, TischlerBise multiplied the projected number of new housing units by type from Figure A-4 by their corresponding occupancy rates to determine the projected number of households. These figures are then multiplied by the number of persons per household from Figure A-1 for each category of housing. The number of persons in group quarters is held constant.

Figure A-7: Population Projections

Projected Households by Type	Fiscal Year => Occ. Rate*	2007	2008	2009	2010	2011	5 Year Intervals			
		2012	2017	2022	2027					
Single Family Detached	96.0%	18,544	19,472	20,400	21,328	22,256	23,184	27,823	32,462	32,462
Multi-family	80.0%	2,870	3,003	3,136	3,268	3,401	3,534	4,198	4,862	4,862
All Other Types of Housing	92.9%	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151
TOTAL		22,565	23,626	24,687	25,747	26,808	27,869	33,172	38,475	38,475

Projected Population	PPH*	2007	2008	2009	2010	2011	2012	2017	2022	2027
Single Family Detached	3.45	63,890	67,087	70,283	73,480	76,676	79,873	95,856	111,840	111,840
Multi-family	2.71	7,789	8,149	8,509	8,870	9,230	9,591	11,392	13,194	13,194
All Other Types of Housing	3.48	4,006	4,006	4,006	4,006	4,006	4,006	4,006	4,006	4,006
Persons in Group Quarters		149	149	149	149	149	149	149	149	149
TOTAL		75,834	79,391	82,948	86,505	90,062	93,619	111,404	129,189	129,189

* Taken from Figure 1.

NONRESIDENTIAL MULTIPLIERS

In addition to data on residential development, the calculation of development fees requires data on nonresidential construction in Avondale. To convert employment projections to gross floor area of nonresidential development, average square feet per employee multipliers are used. The multipliers shown in Figure A-8 are derived from national data published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI).

These multipliers are also used to calculate the number of average weekday vehicle trips from nonresidential development in Avondale.

Figure A-8: Floor Area per Employee and Nonresidential Trip Rates

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit*	Wkdy Trip Ends Per Employee*	Emp Per Dmd Unit**	Sq Ft Per Emp
Commercial/ Shopping Center***						
820	25K gross leasable area	1,000 Sq Ft	110.32	na	3.33	300
820	50K gross leasable area	1,000 Sq Ft	86.56	na	2.86	350
820	100K gross leasable area	1,000 Sq Ft	67.91	na	2.50	400
820	200K gross leasable area	1,000 Sq Ft	53.28	na	2.22	450
820	400K gross leasable area	1,000 Sq Ft	41.80	na	2.00	500
General Office****						
710	10K gross floor area	1,000 Sq Ft	22.66	5.06	4.48	223
710	25K gross floor area	1,000 Sq Ft	18.35	4.43	4.15	241
710	50K gross floor area	1,000 Sq Ft	15.65	4.00	3.91	256
710	100K gross floor area	1,000 Sq Ft	13.34	3.61	3.69	271
Industrial						
770	Business Park*****	1,000 Sq Ft	12.76	4.04	3.16	317
151	Mini-Warehouse	1,000 Sq Ft	2.50	56.28	0.04	22,512
150	Warehousing	1,000 Sq Ft	4.96	3.89	1.28	784
140	Manufacturing	1,000 Sq Ft	3.82	2.13	1.79	558
110	Light Industrial	1,000 Sq Ft	6.97	3.02	2.31	433
Examples of Other Nonresidential Land Uses						
720	Medical-Dental Office	1,000 Sq Ft	36.13	8.91	4.05	247
730	Government Office Building	1,000 Sq Ft	68.93	11.95	5.77	173
620	Nursing Home	bed	2.37	6.55	0.36	na
610	Hospital	1,000 Sq Ft	17.57	5.20	3.38	296
565	Day Care	student	4.48	28.13	0.16	na
530	High School	student	1.71	19.74	0.09	na
522	Middle School/Junior High School	student	1.62	na	na	na
520	Elementary School	student	1.29	15.71	0.08	na
520	Elementary School	1,000 Sq Ft	14.49	15.71	0.92	1,084
320	Motel	room	5.63	12.81	0.44	na

* Trip Generation, Institute of Transportation Engineers, 2003.

** Employees per demand unit calculated from trip rates, except for Shopping Center data, which are derived from Development Handbook and Dollars and Cents of Shopping Centers, published by the Urban Land Institute.

*** Trip rates for Commercial/Shopping Center by size derived using the formula $\ln(T)=0.65\ln(X)+5.83$, where T=average weekday trip ends and X=1,000 square feet gross leasable area. Taken from Trip Generation, Institute of Transportation Engineers, 2003.

**** Trip rates for General Office by size derived using the formula $\ln(T)=0.77\ln(X)+3.65$, where T=average weekday trip ends and X=1,000 square feet gross leasable area. Taken from Trip Generation, Institute of Transportation Engineers, 2003.

***** According to ITE, a Business Park is a group of flex-type buildings served by a common roadway system. The tenant space includes a variety of uses with an average mix of 20-30% office/commercial and 70-80% industrial/warehousing.

The square feet per employee multipliers shown in the last column on the right of Figure A-8 are used to convert employment projections into thousands of square feet (KSF) of nonresidential floor area. A prototypical office development is typically located in a building of approximately 25,000 square feet. This size office building has an average of 241 square feet per employee. For retail jobs, a prototype development is a building or shopping center of approximately 50,000 square feet. A commercial development of this size will have approximately 350 square feet per employee. For industrial/flex jobs, the business park category of 317 square feet per job is used.

JOB & NONRESIDENTIAL SQUARE FOOTAGE ESTIMATES

The most recent estimate of jobs for each major category of nonresidential development in Avondale is shown in Figure A-9 below from City’s employer database. The estimated 7,561 jobs

are multiplied by the employment density multipliers in the far right column of Figure A-8 to convert the number of jobs for each category into nonresidential square footage. TischlerBise estimates there are 4,005,161 square feet of nonresidential development in Avondale.

Figure A-9: Job and Nonresidential Square Footage Estimates

	<i>Jobs*</i>	<i>%</i>	<i>Square Feet/ Job**</i>	<i>Nonres Square Footage</i>
Commercial	3,264	43%	350	1,142,400
Office	631	8%	241	152,071
Institutional				
Government	538	7%	173	93,074
Education	2,120	28%	1,084	2,298,080
Industrial/Flex	1,008	13%	317	319,536
TOTAL	7,561	100%		4,005,161

* Avondale Employer Database.

** Taken from Figure 8.

JOB & NONRESIDENTIAL SQUARE FOOTAGE PROJECTIONS

The *Avondale Economic Development Plan* states a desired job to household ratio of .92 under the Conservation Buildout Scenario. The City’s current job to household ratio is .34 as shown in Figure A-10.

Figure A-10: Jobs per Resident Estimate and Goal

Current Households	22,565
Current Jobs in Avondale	7,561
Current Jobs per Household	0.34
Jobs per Household Goal*	0.92

* Conservative Build-out Scenario, *Avondale Economic Development Plan*, 2006.

To project the total number of jobs, TischlerBise utilized a methodology which adjusts the City’s current jobs to household ratio of .34 uniformly through build out in FY2022 to achieve the desired jobs to household ratio of .92. This ratio is multiplied by the household projections from Figure A-7. The results are shown at the top of Figure A-11 below.

The projected number of jobs is then allocated among the broad categories of commercial/retail, office, institutional, and industrial/flex. To project the future distribution of jobs, TischlerBise held constant the number of jobs in the institutional category. The majority of these jobs are at schools and governmental organizations. The City has a disproportionately large number of these jobs at

this point in its development. Over time, these jobs as a percentage of the total jobs in the City will decrease. Also, this type of development is very difficult to predict.

The current job distribution percentages from Figure A-9 have been re-weighted to reflect the assumption that the projected number of institutional jobs is held constant. The future allocation of jobs is estimated to be 67% commercial/retail, 13% office, and 21% industrial/flex.

Using the employment density multipliers from Figure 8, the projected number and type of future jobs are converted into nonresidential square footage. This is shown at the bottom of Figure A-11.

Figure A-11: Job and Nonresidential Square Footage Projections by Type

	Fiscal Year =>	2007	2008	2009	2010	2011	5 Year Intervals			
		2012	2017	2022	2027					
Projected Households		22,565	23,626	24,687	25,747	26,808	27,869	33,172	38,475	38,475
Jobs per Household		0.34	0.37	0.41	0.45	0.49	0.53	0.73	0.92	0.92
Projected Jobs		7,561	8,838	10,197	11,639	13,164	14,772	24,050	35,285	35,285
New Jobs Added Annually		1,277	1,359	1,442	1,525	1,608	1,690	2,104	0	0
Projected Jobs by Type	Distrib. Of New Jobs*									
Commercial/Retail	67%	3,264	4,114	5,019	5,979	6,994	8,064	14,241	21,720	21,720
Office	13%	631	795	970	1,156	1,352	1,559	2,753	4,199	4,199
Institutional	0%	2,658	2,658	2,658	2,658	2,658	2,658	2,658	2,658	2,658
Industrial Flex	21%	1,008	1,270	1,550	1,846	2,160	2,490	4,398	6,708	6,708
Total		7,561	8,838	10,197	11,639	13,164	14,772	24,050	35,285	35,285
Projected Nonresidential Square Footage (1,000's)	Square Feet per Job**									
Commercial/Retail	350	1,142	1,440	1,757	2,093	2,448	2,822	4,984	7,602	7,602
Office	241	152	192	234	279	326	376	664	1,012	1,012
Institutional	0	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391
Industrial Flex	317	320	403	491	585	685	789	1,394	2,126	2,126
Total		4,005	4,425	4,873	5,348	5,850	6,379	9,433	13,132	13,132

* Taken from Figure 9. Percentages re-weighted to reflect the assumption of holding Institutional jobs constant.

** Taken from Figure 8.

AVERAGE DAILY VEHICLE TRIP END ESTIMATES

Average Weekday Vehicle Trip Ends are from the reference book, Trip Generation, published by the Institute of Transportation Engineers (ITE), in 2003. A “trip end” represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip rates have been adjusted to avoid over estimating the number of actual trips because one vehicle trip is counted in the trip rates of both the origination and destination points. A simple factor of 50% has been applied to the residential, government/institutional, office and goods production categories. The commercial category has a trip factor of less than 50% because this type of development attracts vehicles as they pass-by on arterial and collector roads (“pass-by” trips). For example, when someone stops at a convenience store on their way home from work, the convenience store is not their primary destination. The ITE Manual (see Figure A-12 below) indicates that on average 39% of the vehicles entering 50,000 square foot shopping center are passing by on the way to some other primary destination and 61% of the attraction trips have the shopping center as their primary destination. Therefore, the adjusted trip factor is 31% (0.61 x 0.50).

Figure A-12: Pass-by Trip Percentages

Floor Area in thousands (KSF)	Commercial Pass-by Trips*	Commercial Trip Adj Factor**	Shopping Centers (ITE 820)		General Office (ITE 710)		Shopping Centers (ITE 820)		General Office (ITE 710)	
			Trip Ends	Rate/KSF	Trip Ends	Rate/KSF	Trip Ends	Rate/KSF	Trip Ends	Rate/KSF
			10	52%	24%	1,520	152.03	227	22.66	137
25	45%	28%	2,758	110.32	459	18.35	251	10.03	107	4.27
50	39%	31%	4,328	86.56	782	15.65	396	7.92	135	2.70
100	34%	33%	6,791	67.91	1,334	13.34	626	6.26	191	1.91
200	29%	36%	10,656	53.28	2,275	11.37	989	4.95	303	1.51
400	23%	39%	16,722	41.80	3,879	9.70	1,563	3.91	527	1.32
800	18%	41%	26,239	32.80	6,615	8.27	2,470	3.09	975	1.22

Source: *Trip Generation*, Institute of Transportation Engineers, 2003.

* Based on data published by ITE in *Trip Generation Handbook* (2004), the best trendline correlation between pass-by trips and floor area is a logarithmic curve with the equation $(-7.6812 * \ln(KSF)) + 69.293$.

** To convert trip ends to vehicle trips, the standard adjustment factor is 50%. Due to pass-by trips, commercial trip adjustment factors are lower, as derived from the following formula $(0.50 * (1 - \text{passby pct}))$.

Figure A-13 below provides a summary of the residential and nonresidential vehicle trip end calculations used in this analysis. There is an average of 162,071 vehicle trip ends generated by existing development in Avondale on an average weekday. As the table below indicates, residential development generates 106,044 vehicle trip ends compared to 56,027 vehicle trip ends generated by nonresidential development.

Figure A-13: Average Daily Trip Ends from Development within Avondale

Residential Vehicle Trip Ends on an Average Weekday

<i>Residential Units</i>	Assumptions	
Single Family Detached	19,318	
Multi-family	3,589	
All Other Types of Housing	1,239	
<i>Average Weekday Vehicle Trip Ends per Unit**</i>	Trip Rate	Trip Factor
Single Family Detached	9.57	50%
Multi-family	5.86	50%
All Other Types of Housing	4.99	50%
<i>Residential Vehicle Trip Ends of an Average Weekday</i>		
Single Family Detached	92,437	
Multi-family	10,516	
All Other Types of Housing	3,091	
Total Residential Trips	106,044	

Nonresidential Vehicle Trip Ends on an Average Weekday

<i>Nonresidential Gross Floor Area (1,000 sq. ft.)*</i>	Assumptions	
Commercial	1,142	
Office/Institutional	2,543	
Industrial/Flex	320	
<i>Average Weekday Vehicle Trips Ends per 1,000 Sq. Ft.**</i>	Trip Rate	Trip Factor
Commercial	86.56	31%
Office/Institutional	18.35	50%
Industrial/Flex	12.76	50%
<i>Nonresidential Vehicle Trips on an Average Weekday</i>		
Commercial	30,655	
Office/Institutional	23,334	
Industrial/Flex	2,039	
Total Nonresidential Trips	56,027	
TOTAL TRIPS	162,071	

*Floor area estimates were derived using sq. ft. per employee factors from ULI and ITE

**Trip rates are from the Institute of Transportation Engineers(ITE) Trip Generation Manual (2003)

SUMMARY OF DEVELOPMENT PROJECTIONS FY2007-FY2017

Annual demographic and development projections for the development fee study are summarized in Figure A-14 below. The FY2007 demographic estimates will be used to derive current levels-of-service (LOS). The development *projections* are used for the purpose of having an understanding of the future LOS, pace of service demands, and cash flows resulting from revenues and expenditures associated with those service demands.

AVONDALE, ARIZONA DEVELOPMENT FEE STUDY

Avondale is projected to add a total of approximately 11,326 housing units and 35,570 persons during the next ten years. From FY2007 to FY2017, TischlerBise projects an average annual increase in employment of 1,649 jobs and approximately 543,000 square feet of nonresidential floor area per year. However, actual nonresidential construction is often built in irregular intervals compared to residential development, with minor construction followed by large-scale projects.

Figure A-14: Development Projections FY2007-FY2017

	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Year Increase	Ave. Annual Increase
SUMMARY														
Population		75,834	79,391	82,948	86,505	90,062	93,619	97,176	100,733	104,290	107,847	111,404	35,570	3,557
Housing Units		24,146	25,279	26,411	27,544	28,676	29,809	30,942	32,074	33,207	34,339	35,472	11,326	1,133
Households		22,565	23,626	24,687	25,747	26,808	27,869	28,929	29,990	31,050	32,111	33,172	10,606	1,061
Jobs		7,561	8,838	10,197	11,639	13,164	14,772	16,462	18,235	20,091	22,029	24,050	16,489	1,649
Nonresidential Square Footage (1,000's)		4,005	4,425	4,873	5,348	5,850	6,379	6,935	7,519	8,130	8,768	9,433	5,428	543
Average Weekday Trip Ends		162,071	176,059	190,622	205,760	221,473	237,761	254,625	272,063	290,077	308,665	327,829	165,758	16,576
Nonresidential Vehicle Trip Ends		56,027	64,904	74,355	84,382	94,983	106,160	117,912	130,239	143,141	156,618	170,671	114,643	11,464
Housing Units														
Single Family Detached		19,318	20,285	21,251	22,218	23,184	24,151	25,117	26,084	27,050	28,017	28,984	9,666	967
Multi-family		3,589	3,755	3,921	4,087	4,253	4,419	4,585	4,751	4,917	5,083	5,249	1,660	166
All Other Types of Housing		1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239	1,239	0	0
Jobs														
Commercial/Retail		3,264	4,114	5,019	5,979	6,994	8,064	9,189	10,370	11,605	12,896	14,241	10,977	1,098
Office		631	795	970	1,156	1,352	1,559	1,777	2,005	2,244	2,493	2,753	2,122	212
Institutional		2,658	2,658	2,658	2,658	2,658	2,658	2,658	2,658	2,658	2,658	2,658	0	0
Industrial Flex		1,008	1,270	1,550	1,846	2,160	2,490	2,838	3,202	3,584	3,982	4,398	3,390	339
Nonresidential Square Footage (1,000's)														
Commercial/Retail		1,142	1,440	1,757	2,093	2,448	2,822	3,216	3,629	4,062	4,513	4,984	3,842	384
Office		152	192	234	279	326	376	428	483	541	601	664	511	51
Institutional		2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	0	0
Industrial Flex		320	403	491	585	685	789	900	1,015	1,136	1,262	1,394	1,075	107
Average Weekday Vehicle Trip Ends														
Single Family Detached		92,437	97,062	101,687	106,311	110,936	115,561	120,186	124,811	129,436	134,061	138,686	46,250	4,625
Multi-family		10,516	11,002	11,489	11,975	12,462	12,948	13,435	13,921	14,408	14,894	15,381	4,865	487
All Other Types of Housing		3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	0	0
Commercial/Retail		30,655	38,637	47,136	56,153	65,686	75,737	86,305	97,391	108,993	121,113	133,750	103,095	10,309
Office		1,395	1,759	2,145	2,556	2,990	3,447	3,928	4,433	4,961	5,512	6,088	4,692	469
Institutional		21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	0	0
Industrial Flex		2,039	2,569	3,135	3,734	4,368	5,037	5,740	6,477	7,248	8,054	8,895	6,856	686

Appendix B: Cash Flow Analysis

This cash flow analysis is based on the preliminary development fees, costs per demand unit, and methodologies in the City's development fee report and demographic and development projections in Appendix A of the development fee report. FY2007 (beginning July 1, 2006) is the first projection year (note: all figures are in thousands of dollars).

This cash flow analysis is based on several assumptions:

- 100% of all future residential and nonresidential development will pay 100% of the proposed development fees.
- Future development will occur at the pace and magnitude outlined in the demographic and development projects in Appendix A of the development fee report.

To the extent these assumptions change, the cash flow analysis will change correspondingly. Also, the cash flow analysis is based on the proposed fees and LOS over a six-year time frame. TischlerBise recommends that rapidly growing communities review and recalibrate their fees every three years. Thus, it is likely the fee amounts, LOS, and methodologies will change over the course of the six year cash flow analysis.

WATER

The cash flow summary below indicates the City could collect a total of \$87,889,000 in Water Development Fees over the next six years. The cumulative deficits shown at the bottom of the table are the result of differences in timing of the need for capital facilities versus when building permits are issued and development fee revenues are realized. Since the water infrastructure must be in place prior to when development occurs, there is lag between expenditures and revenues. The projects being constructed in advance of new development which have excess capacity which will be repaid by future development fees which is evident by the annual surpluses shown in the later years for the cash flow anal which is evident by the annual surpluses shown in the later years for the cash flow analysis.

To a lesser degree, the annual surpluses are also the result of the buy-in component for water projects the City has already completed in advance of new development which still have available capacity. The City may use these funds to repay itself for oversizing these projects or fund future expansions.

Figure B-1: Water Cash Flow Analysis

WATER

	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Development Fee Revenues (\$1,000's)								
Residential		\$5,948	\$5,948	\$5,948	\$5,948	\$5,948	\$5,948	\$35,688
Nonresidential		\$7,487	\$7,972	\$8,458	\$8,943	\$9,428	\$9,913	\$52,201
TOTAL REVENUES		\$13,435	\$13,921	\$14,406	\$14,891	\$15,376	\$15,861	\$87,889
Capital Expendtiures Related to New Development (\$1,000's)								
Planned Water Supply		\$12,683	\$4,900	\$3,500	\$1,550	\$1,900	\$0	\$24,533
Planned Water Storage		\$4,952	\$0	\$0	\$600	\$1,200	\$0	\$6,752
lanned Water Distribution		\$5,959	\$3,017	\$1,500	\$3,610	\$10,575	\$0	\$24,661
Planned Reclaimed Water		\$10,094	\$0	\$0	\$0	\$0	\$0	\$10,094
Planned Water Noncapacity Projects		\$397	\$200	\$200	\$200	\$200	\$0	\$1,197
Support Facilities		\$57	\$58	\$58	\$59	\$59	\$60	\$352
Support Vehicles & Equipment		\$81	\$81	\$82	\$83	\$83	\$84	\$494
Development Fee Study		\$5	\$5	\$5	\$5	\$5	\$6	\$31
TOTAL EXPENDITURES		\$34,227	\$8,261	\$5,345	\$6,107	\$14,023	\$149	\$68,113
Annual Surplus/(Deficit)		(\$20,792)	\$5,660	\$9,060	\$8,784	\$1,353	\$15,712	
Cumulative Surplus/(Deficit)		(\$20,792)	(\$15,132)	(\$6,072)	\$2,712	\$4,065	\$19,776	

SEWER

The cash flow summary below indicates the City could collect a total of \$56,829,000 in Sewer Development Fees over the next six years. The cumulative deficits shown at the bottom of the table are the result of differences in timing of the need for capital facilities versus when building permits are issued and development fee revenues are realized. Since the sewer infrastructure must be in place prior to when development occurs, there is lag between expenditures and revenues. The projects being constructed in advance of new development which have excess capacity which will be repaid by future development fees which is evident by the annual surpluses in the later years of the cash flow analysis.

Figure B-2: Sewer Cash Flow Analysis

SEWER

	<i>Fiscal Year =></i>							
	2007	2008	2009	2010	2011	2012	TOTAL	
Development Fee Revenues (\$1,000's)								
Residential	\$6,222	\$6,222	\$6,222	\$6,222	\$6,222	\$6,222	\$37,331	
Nonresidential	\$2,797	\$2,978	\$3,159	\$3,340	\$3,521	\$3,703	\$19,497	
TOTAL REVENUES	\$9,018	\$9,200	\$9,381	\$9,562	\$9,743	\$9,924	\$56,829	
Capital Expenditures Related to New Development (\$1,000's)								
Treatment	\$50,817	\$0	\$0	\$0	\$1,750	\$0	\$52,567	
Collection	\$3,192	\$325	\$2,400	\$150	\$150	0	\$6,217	
Noncapacity Projects	\$333	\$100	\$100	\$100	\$100	0	\$733	
Support Facilities	\$0	\$0	\$0	\$0	\$0	0	\$0	
Support Vehicles & Equipment	\$44	\$45	\$45	\$45	\$45	\$45	\$269	
Development Fee Study	\$5	\$5	\$5	\$5	\$5	\$6	\$32	
TOTAL EXPENDITURES	\$54,391	\$475	\$2,550	\$300	\$2,050	\$51	\$59,817	
Annual Surplus/(Deficit)	(\$45,373)	\$8,725	\$6,831	\$9,262	\$7,693	\$9,874		
Cumulative Surplus/(Deficit)	(\$45,373)	(\$36,648)	(\$29,817)	(\$20,555)	(\$12,862)	(\$2,989)		

LIBRARY CASH FLOW ANALYSIS

The cash flow summary below indicates total revenues of \$2,280,000 over the next 6 years. Since the City intends to use proceeds from the Library Development Fee to repay new growth's share of the Civic Center Library, the annual debt service costs are shown.

The cumulative deficits shown at the bottom of the table are the result of the planned level-of-service providing capacity through build out in FY2022 to both new and existing development. New growth's share of these expenditures will be funded with development fees, but the City will have to use non-development fee revenues to fund existing development's share of these planned expenditures.

Figure B-3: Library Development Fee Cash Flow Analysis

LIBRARY

	<i>Fiscal Year =></i>							
	2007	2008	2009	2010	2011	2012	TOTAL	
Development Fee Revenues (\$1,000's)								
Single Family Detached	\$335	\$335	\$335	\$335	\$335	\$335	\$2,008	
Multi-family	\$45	\$45	\$45	\$45	\$45	\$45	\$272	
All Other Types of Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL REVENUES	\$380	\$380	\$380	\$380	\$380	\$380	\$2,280	
Capital Expenditures Related to New Development (\$1,000's)								
Debt Service for Civic Center Library	\$523	\$523	\$523	\$523	\$523	\$523	\$3,138	
Planned Old Town Branch Expenditures	\$1,900	\$1,950	\$100	\$100	\$100	\$0	\$4,150	
Support Vehicles	\$1	\$1	\$1	\$1	\$1	\$1	\$6	
Development Fee Study	\$3	\$3	\$3	\$3	\$3	\$3	\$16	
TOTAL EXPENDITURES	\$2,427	\$2,477	\$627	\$627	\$627	\$527	\$7,310	
Annual Surplus/(Deficit)	(\$2,047)	(\$2,097)	(\$247)	(\$247)	(\$247)	(\$147)		
Cumulative Surplus/(Deficit)	(\$2,047)	(\$4,143)	(\$4,390)	(\$4,637)	(\$4,883)	(\$5,030)		

PARKS AND RECREATION CASH FLOW ANALYSIS

The cash flow summary below indicates total revenues of \$16,464,000 over the next six years. With the exception of trails, this fee was calculated using the incremental expansion methodology. The City can only use these revenues for capacity expansions and may not use them to replace or maintain its current parks and recreation infrastructure and assets.

The annual deficits shown at the bottom of the table are the result of two factors. The first is the plan-based methodology used for trails. These planned projects are the result of both new and existing development. New development will pay its share via development fees. Existing development will have to pay its share with non-development fees which are indicated at the bottom of the table below. The second reason for the deficits are the credits given for future principal payments for debt service related to Parks and Recreation.

Figure B-4: Parks & Recreation Development Fee Cash Flow Analysis

PARKS & RECREATION

	<i>Fiscal Year =></i>							
	2007	2008	2009	2010	2011	2012	TOTAL	
Development Fee Revenues (\$1,000's)								
Single Family Detached	\$2,417	\$2,417	\$2,417	\$2,417	\$2,417	\$2,417	\$14,502	
Multi-family	\$327	\$327	\$327	\$327	\$327	\$327	\$1,962	
All Other Types of Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL REVENUES	\$2,744	\$2,744	\$2,744	\$2,744	\$2,744	\$2,744	\$16,464	
Capital Expenditures Related to New Development (\$1,000's)								
Community Parkland	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$11,278	
Community Park Improvements	\$390	\$390	\$390	\$390	\$390	\$390	\$2,337	
Trails	\$1,840	\$600	\$1,000	\$1,000	\$1,000	\$0	\$5,440	
Recreation Facilities	\$229	\$229	\$229	\$229	\$229	\$229	\$1,373	
Support Facilities	\$17	\$17	\$17	\$17	\$17	\$17	\$104	
Support Vehicles & Equipment	\$31	\$31	\$31	\$31	\$31	\$31	\$187	
Development Fee Study	\$4	\$4	\$4	\$4	\$4	\$4	\$21	
TOTAL EXPENDITURES	\$4,390	\$3,150	\$3,550	\$3,550	\$3,550	\$2,550	\$20,742	
Annual Surplus/(Deficit)	(\$1,646)	(\$406)	(\$806)	(\$806)	(\$806)	\$194		
Cumulative Surplus/(Deficit)	(\$1,646)	(\$2,053)	(\$2,859)	(\$3,665)	(\$4,472)	(\$4,278)		

POLICE CASH FLOW ANALYSIS

The table shows the cash flow analysis for the Police Development Fees over the next six years. The City could collect a total of \$6,077,000. The City debt financed a portion of the main police station and intends to repay new growth's share of the debt service with proceeds from the Police Development Fee. The projected debt service is shown below. The surpluses at the bottom of the table are the result of the portion of the main police station that was cash financed. The City may choose to repay itself for oversizing the facility or for the next capacity expansion. Because the incremental expansion methodology is used for police vehicles and communications equipment, the development fees may be used to expand these assets as needed to accommodate new development. The City may not use development fee revenue to maintain its current vehicles and communications equipment. The deficit shown in FY2009 is the result of the planned training facility serving both new and existing development. New growth's share of the training facility will be funded with development fee revenues while existing development's share will be funded from non-development fee revenues.

Figure B-5: Police Development Fee Cash Flow Analysis

POLICE

	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Development Fee Revenues (\$1,000's)								
Single Family Detached		\$332	\$332	\$332	\$332	\$332	\$332	\$1,995
Multi-family		\$45	\$45	\$45	\$45	\$45	\$45	\$270
All Other Types of Housing		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial/Retail		\$492	\$524	\$555	\$587	\$619	\$651	\$3,428
Office		\$22	\$24	\$25	\$27	\$28	\$30	\$156
Industrial Flex		\$33	\$35	\$37	\$39	\$41	\$43	\$228
TOTAL REVENUES		\$924	\$960	\$995	\$1,031	\$1,066	\$1,101	\$6,077
Capital Expenditures Related to New Development (\$1,000's)								
Debt Service for Police Facilities - Residential		\$78	\$80	\$81	\$84	\$86	\$85	\$494
Debt Service for Police Facilities - Nonresidential		\$42	\$43	\$44	\$45	\$46	\$46	\$266
Training Facilities - Residential		\$0	\$0	\$652	\$0	\$0	\$0	\$652
Training Facilities - Nonresidential		\$0	\$0	\$348	\$0	\$0	\$0	\$348
Police Vehicles - Residential		\$90	\$90	\$90	\$90	\$90	\$90	\$538
Police Vehicles - Nonresidential		\$161	\$172	\$182	\$193	\$203	\$214	\$1,125
Police Communications Equipment - Residential		\$22	\$22	\$22	\$22	\$22	\$22	\$131
Police Communications Equipment - Nonresidential		\$39	\$42	\$44	\$47	\$49	\$52	\$274
Development Fee Study - Residential		\$2	\$2	\$2	\$2	\$2	\$2	\$12
Development Fee Study - Nonresidential		\$1	\$1	\$1	\$1	\$1	\$1	\$7
TOTAL EXPENDITURES		\$435	\$451	\$1,466	\$483	\$499	\$512	\$3,847
Annual Surplus/(Deficit)		\$489	\$508	(\$471)	\$547	\$567	\$590	
Cumulative Surplus/(Deficit)		\$489	\$998	\$526	\$1,074	\$1,640	\$2,230	

FIRE/EMS CASH FLOW ANALYSIS

The table shows the cash flow analysis for the Fire/EMS Development Fees over the next six years. The City could collect a total of \$9,135,000. Because the LOS standards for stations, apparatus, and communications equipment were calculated using an incremental expansion methodology, the development fees may be used to expand these assets as needed to accommodate new development. The City may not use development fee revenue to maintain its current space or replace existing stations, apparatus, and communications equipment.

The annual deficits shown at the bottom of the table are the result of the plan-based methodology used for training facilities. These planned projects are the result of both new and existing development. New development will pay its share via development fees. Existing development will have to pay its share with non-development fees which are indicated at the bottom of the table below.

Figure B-6: Fire/EMS Development Fee Cash Flow Analysis

FIRE								
	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Development Fee Revenues (\$1,000's)								
Single Family Detached		\$963	\$963	\$963	\$963	\$963	\$963	\$5,776
Multi-family		\$130	\$130	\$130	\$130	\$130	\$130	\$782
All Other Types of Housing		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial/Retail		\$246	\$262	\$278	\$294	\$310	\$326	\$1,715
Office		\$48	\$51	\$54	\$57	\$60	\$63	\$331
Industrial Flex		\$76	\$81	\$86	\$91	\$96	\$101	\$530
TOTAL REVENUES		\$1,463	\$1,487	\$1,510	\$1,534	\$1,558	\$1,582	\$9,135
Capital Expenditures Related to New Development (\$1,000's)								
Land for Fire Stations - Residential		\$43	\$43	\$43	\$43	\$43	\$43	\$256
Land for Fire Stations - Nonresidential		\$15	\$16	\$17	\$18	\$19	\$20	\$107
Fire Facilities - Residential		\$579	\$579	\$579	\$579	\$579	\$579	\$3,475
Fire Facilities - Nonresidential		\$208	\$221	\$235	\$248	\$262	\$275	\$1,449
Fire Apparatus - Residential		\$401	\$401	\$401	\$401	\$401	\$401	\$2,406
Fire Apparatus- Nonresidential		\$144	\$153	\$163	\$172	\$181	\$191	\$1,003
Fire Training Facility - Residential		\$265	\$596	\$265	\$462	\$246	\$0	\$1,834
Fire Training Facility - Nonresidential		\$70	\$156	\$70	\$121	\$64	\$0	\$481
Fire Communications Equipment - Residential		\$4	\$4	\$4	\$4	\$4	\$4	\$25
Fire Communications Equipment - Nonresidential		\$1	\$2	\$2	\$2	\$2	\$2	\$10
Development Fee Study - Residential		\$2	\$2	\$2	\$2	\$2	\$2	\$13
Development Fee Study - Nonresidential		\$1	\$1	\$1	\$1	\$1	\$1	\$5
TOTAL EXPENDITURES		\$1,733	\$2,175	\$1,781	\$2,054	\$1,804	\$1,518	\$11,064
Annual Surplus/(Deficit)		(\$270)	(\$688)	(\$270)	(\$519)	(\$246)	\$64	
Cumulative Surplus/(Deficit)		(\$270)	(\$959)	(\$1,229)	(\$1,748)	(\$1,994)	(\$1,930)	

GENERAL GOVERNMENT CASH FLOW ANALYSIS

The table shows the cash flow analysis for the General Government Development Fees over the next six years. The City could collect a total of \$9,022,000. Since the City intends to use proceeds from the General Government Development Fee to repay new growth's share of City Hall, the annual debt service costs are shown. The annual surpluses are the result of City Hall reaching capacity before the debt service is repaid. This results in a surplus during the first several years which start declining as the facility reaches capacity. These surpluses would be used to repay the later years of the bond issue when no additional revenues are being received. Because the incremental expansion methodology is used for support facilities and vehicles, the development fees may be used to expand these assets as needed to accommodate new development. The City may not use development fee revenue to maintain its current support facilities and vehicles.

Figure B-7: General Government Development Fee Cash Flow Analysis

GENERAL GOVERNMENT

	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Development Fee Revenues (\$1,000's)								
Single Family Detached		\$898	\$898	\$898	\$898	\$898	\$898	\$5,388
Multi-family		\$121	\$121	\$121	\$121	\$121	\$121	\$728
All Other Types of Housing		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial/Retail		\$300	\$320	\$339	\$359	\$378	\$398	\$2,095
Office		\$45	\$48	\$51	\$54	\$57	\$60	\$313
Industrial Flex		\$71	\$76	\$81	\$85	\$90	\$95	\$498
TOTAL REVENUES		\$1,436	\$1,463	\$1,490	\$1,517	\$1,544	\$1,571	\$9,022

	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Capital Expenditures Related to New Development (\$1,000's)								
Debt Service for City Hall		\$748	\$768	\$784	\$806	\$827	\$820	\$4,753
General Government Support Facilities		\$164	\$167	\$170	\$173	\$176	\$178	\$1,028
Courts		\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Government Vehicles		\$32	\$33	\$33	\$34	\$35	\$35	\$203
Development Fee Study		\$3	\$3	\$3	\$3	\$3	\$4	\$20
TOTAL EXPENDITURES		\$948	\$971	\$991	\$1,016	\$1,041	\$1,037	\$6,004

Annual Surplus/(Deficit)	\$488	\$492	\$499	\$501	\$503	\$534
Cumulative Surplus/(Deficit)	\$488	\$980	\$1,479	\$1,980	\$2,483	\$3,017

SANITATION CASH FLOW ANALYSIS

Over the next six years, development fees for Sanitation are projected to total \$1,765,000. Because the LOS standards for facilities was calculated using the buy-in methodology, the City may choose to repay itself for oversizing these facilities or pay for future capacity expansions. This accounts for the surpluses at the bottom of the table. Because the planned vehicles and equipment expenditures are the result of new growth only, development fees will entirely fund this component.

Figure B-8: Sanitation Development Fee Cash Flow Analysis

SANITATION								
	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Development Fee Revenues (\$1,000's)								
Single Family Detached		\$294	\$294	\$294	\$294	\$294	\$294	\$1,765
TOTAL REVENUES		\$294	\$294	\$294	\$294	\$294	\$294	\$1,765
Capital Expenditures Related to New Development (\$1,000's)								
Facilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planned Vehicles & Equipment		\$265	\$265	\$265	\$265	\$265	\$265	\$1,593
Development Fee Study		\$2	\$2	\$2	\$2	\$2	\$2	\$12
TOTAL EXPENDITURES		\$268	\$268	\$268	\$268	\$268	\$268	\$1,605
Annual Surplus/(Deficit)		\$27	\$27	\$27	\$27	\$27	\$27	
Cumulative Surplus/(Deficit)		\$27	\$53	\$80	\$107	\$133	\$160	

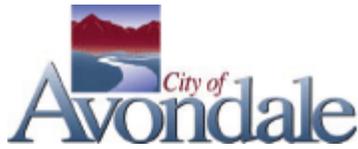
TRANSPORTATION CASH FLOW ANALYSIS

The cash flow summary below indicates total revenues of \$22,935,000 over the next six years. The deficits shown at the bottom of the tables are the result of two factors. Several of the planned arterial and collector projects are the result of both existing and new development. Development fees will pay for new growth's share of these projects while existing development's share will need to be funded from non-development fee revenues. The second explanation for the deficits is the timing of the construction of the planned street projects being built with excess capacity for future development, while the cash flow analysis is only for six years. Under this assumption, future development fees will be used to repay the City for oversizing these facilities using the buy-in methodology.

Figure B-9: Transportation Development Fee Cash Flow Analysis

TRANSPORTATION

	<i>Fiscal Year =></i>	2007	2008	2009	2010	2011	2012	TOTAL
Development Fee Revenues (\$1,000's)								
Single Family Detached		\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$10,767
Multi-family		\$189	\$189	\$189	\$189	\$189	\$189	\$1,133
All Other Types of Housing		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial/Retail		\$1,411	\$1,502	\$1,593	\$1,685	\$1,776	\$1,868	\$9,834
Office		\$70	\$75	\$79	\$84	\$88	\$93	\$488
Industrial Flex		\$102	\$109	\$116	\$122	\$129	\$135	\$713
TOTAL REVENUES		\$3,566	\$3,669	\$3,771	\$3,874	\$3,976	\$4,079	\$22,935
Capital Expenditures Related to New Development (\$1,000's)								
Planned Arterial Streets and Traffic Signals (Annualized)		\$10,136	\$10,136	\$10,136	\$10,136	\$10,136	\$0	\$50,679
Planned Collector Streets (Annualized)		\$711	\$711	\$711	\$711	\$711	\$0	\$3,555
Support Facilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Vehicles & Equipment		\$215	\$224	\$233	\$242	\$251	\$260	\$1,424
Development Fee Study		\$6	\$6	\$6	\$6	\$6	\$7	\$37
TOTAL EXPENDITURES		\$11,068	\$11,077	\$11,086	\$11,095	\$11,104	\$266	\$55,695
Annual Surplus/(Deficit)		(\$7,502)	(\$7,408)	(\$7,315)	(\$7,221)	(\$7,128)	\$3,813	
Cumulative Surplus/(Deficit)		(\$7,502)	(\$14,910)	(\$22,224)	(\$29,445)	(\$36,573)	(\$32,760)	



CITY COUNCIL REPORT

SUBJECT:
Public Hearing and Ordinance 1218-1206 – Water User
Charges

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Kevin Artz
THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that Council hold a Public Hearing and adopt an ordinance amending water user charges.

BACKGROUND:

On October 9, 2006 staff presented an update on water and wastewater rates based on the annual review and update of the City's water and wastewater rate model designed by RedOak Consulting in October of 2004. The rate model as updated recommends a 3.12% increase in overall water and wastewater revenue. This recommendation is consistent with recommendations made by RedOak for a five year rate plan to increase revenue each year for five-years by approximately 3%. This is the third year of the recommended rate plan. At this time, wastewater rates do not require an increase, however water rates require a 5.5% increase. Details of the study are included in the attached Water/Wastewater Rate Study Report.

In accordance with A.R.S. § 9-511.01, Council adopted a resolution authorizing the Notice of Intention to increase water and wastewater user charges on October 16, 2006. The required written report has been on file in the City Clerk's office for public inspection since October 17, 2006. The Notice of Intention was also published as required in the West Valley View on November 10, 2006.

A Town hall meeting was held on November 8, 2006 in an effort to solicit additional input from the community and to inform citizens of the process the City followed in determining a need for a rate increase. Citizens were also given the opportunity to have their bill calculated with the new rates.

The City will continue to utilize a water rate structure that encourages water conservation. The wastewater rate structure will remain unchanged. The rates as calculated in the City's water and wastewater rate model are shown in the following table.

Customer Charge Per Bill - all users	\$ 2.28
--------------------------------------	---------

Meter Size-Base Fee all users*

3/4" Meter	\$ 7.52
1" Meter	15.98
1 1/2" Meter	30.08
2" Meter	48.13
3" Meter	90.24

4" Meter	150.39
6" Meter	300.79
Hydrant Meter	300.79

Residential Usage Charge per 1,000 gallons

0-4,000 gal	\$ 0.90
5,000-8,000 gal	1.39
9,000-12,000gal	2.08
13,000 + gal	3.17

****Non-Residential Usage Charge per 1,000 gallons**

0-8,000 gal	\$ 1.39
9,000-12,000gal	2.08
13,000 + gal	3.17
Hydrant Usage – all gal	2.08

These rates will have varying effects on customers based on water consumption.

BUDGETARY IMPACT:

The proposed user charges will increase revenues to support the water system expenditure budget.

RECOMENDATION:

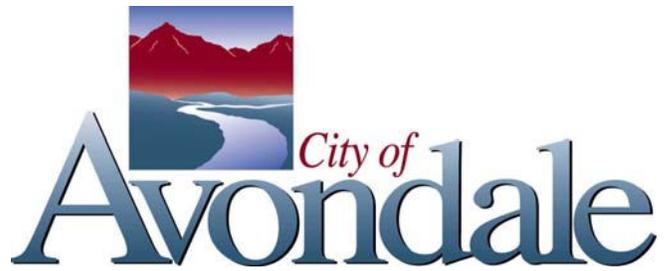
Staff recommends that Council hold a public hearing and adopt an ordinance amending the water user charges.

ATTACHMENTS:

Click to download

[Report - Water/Wastewater Rate Update](#)

[ORD - 1218-1206](#)



Water and Wastewater Rate Update
Fiscal Year 2006-2007

October 2006

Final Report

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I. Introduction/Background

In September 2004, the City retained Red Oak Consulting, a division of Malcolm Pirnie, Inc. (consultant), to conduct a water and wastewater rate study (study). The study concluded that in order to provide the same level of service, maintain required reserves and implement new treatment regulations, the City would need rate increases of approximately 3% per year in water and wastewater revenue over the five-year period following the date of the study.

This report documents the analysis conducted by staff in updating the rate model for the third year of the rate plan approved in concept by the City Council. City staff has compiled and evaluated the necessary data to update revenue requirements and develop updated rates.

II. Update Methodology

This update was conducted in the following three phases:

- Revenue Sufficiency Analysis Phase – determined the annual rate revenue required over a five-year period to completely fund the water and wastewater system financial requirements, including operating expenses, debt service and the capital improvements program.
- Cost of Service Analysis Phase – determined the cost to serve water and wastewater customers and allocated those costs to rate components and customer classes based on a review of line-item operating, debt service and capital costs.
- Rate Design Phase – designed a system of rates and charges that are projected to recover the annual rate revenue requirement determined in the revenue sufficiency analysis phase of the study.

a. Revenue Sufficiency Analysis

In order to update the model, staff evaluates utility expenses, current budgets, capital projects, debt requirements and the impact on operations from the capital program. These expenses are then updated in the model to keep it current. In evaluating the expenses it is clear that the rising costs of treating and distributing water and maintaining the system components have continued to accelerate at rates that are currently outpacing the normal consumer inflation rates. In addition, the new arsenic treatment regulations resulted in cost increases that are reflected in the rate plan.

Another driving factor is the need to fund the replacement of system components. As indicated in the City of Avondale's Municipal Code §24-117, the user charge rates for sewer should be revised as needed to pay for the total operations, maintenance and replacement costs for the system. Due to the aging system in some areas of the City, additional replacement funding is required to ensure the timely replacement of system components.

Baseline Expense Projections

The model was updated to include all new expenses and other revenue needs for a five year study period. Baseline expense projections for the forecast period assumed the following:

- ✓ All operating expenses and transfers out increase by 3% per year with the exception of the following:
 - Salary related expenses – increase by 5% per year in each year of the forecast period, based on current compensation plan trends.
 - Health, dental and life insurance expenses – increase by 6% per year in each year of the forecast period.
- ✓ Annual debt service expenses and debt service coverage requirements were taken from the current outstanding debt information and only projected to increase in years in which additional debt is projected.

Baseline Revenue Projections

Baseline revenue projections were assumed to exclude additional revenue from rate increases. The following assumptions were used to project annual changes in baseline revenue during the period:

- ✓ Baseline water and wastewater rate revenue, that is, rate revenue increases that are exclusive of programmed rate increases, was projected to increase at 5% annually to reflect projected annual growth in the water and wastewater customer base.
- ✓ FY 2006 actual miscellaneous revenue (turn on/off charges, late fees, etc.) was projected to remain constant during the forecast period.
- ✓ Projections from the Draft Development Fee Analysis report were used for water and wastewater development fee revenue.
- ✓ Interest income was calculated by the model based on projected fund balances during the period and assumed interest earnings rate of 1.25% per year.

Other Revenue Requirements

In addition to operating expenses, debt service and CIP related costs, the City must also maintain sufficient revenue to ensure that the annual debt service coverage ratio is met. Currently that ratio is 1.2 times the annual net income. Also, the City has set a management objective to maintain a working capital reserve in an amount equal to at least six months of operations and maintenance. Both of these requirements were programmed into the financial model.

Financial Projections associated with the Revenue Sufficiency Analysis Phase

The results of the revenue sufficiency analysis are presented in Table 1 as the pro-forma and cash flow analysis. As indicated on the last line of Table 1, rate increases are necessary over the next five to six years.

Table 1-Cash Flow

City of Avondale, Arizona
 Revenue Sufficiency Analysis
 Pro-Forma and Cash Flow Analysis - By Fund

Water Operating Fund	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Beginning Unrestricted Balances	15,378,295	12,162,032	11,700,049	11,295,231	11,190,623	11,405,490
Water Rate Revenue	8,898,607	9,857,432	10,816,068	11,839,538	12,928,775	13,575,214
Plus: Growth	5%	5%	5%	5%	5%	2%
Water Rate Revenue After Growth	9,343,538	10,350,304	11,356,871	12,431,515	13,575,214	13,846,718
Pct Change in Water Rates	5.50%	4.50%	4.25%	4.00%	0.00%	0.00%
Pct of Year Rate Increase Effective	50%	50%	50%	50%	50%	50%
Water Rate Revenue After Growth and Rate Increase	9,600,485	10,583,186	11,598,204	12,680,145	13,575,214	13,846,718
Other Revenue	653,910	653,910	653,910	653,910	653,910	653,910
Interest Income	172,127	149,138	143,720	140,537	141,226	142,295
Total Revenue	10,426,522	11,386,233	12,395,835	13,474,591	14,370,350	14,642,923
O&M	(10,049,966)	(10,714,249)	(11,683,194)	(12,649,335)	(13,425,728)	(14,230,952)
Debt Service	(177,262)	(175,790)	(175,060)	(175,002)	(175,545)	(207,138)
Capital Outlay	(722,669)	(958,177)	(717,399)	(404,862)	(129,209)	(173,680)
Cash Funded Capital	(2,692,887)	-	(225,000)	(350,000)	(425,000)	(75,000)
Net Cash Flow	(3,216,263)	(461,983)	(404,818)	(104,608)	214,867	(43,847)
Ending Unrestricted Balances	12,162,032	11,700,049	11,295,231	11,190,623	11,405,490	11,361,643
Sewer Operating Fund	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Beginning Unrestricted Balances	11,853,529	11,495,812	11,578,497	6,686,798	7,173,924	7,282,469
Sewer Rate Revenue	6,802,474	7,142,598	7,574,725	8,048,903	8,451,348	8,873,915
Plus: Growth	5%	5%	5%	5%	5%	2%
Sewer Rate Revenue After Growth	7,142,598	7,499,728	7,953,461	8,451,348	8,873,915	9,051,394
Pct Change in Sewer Rates	0.00%	1.00%	1.20%	0.00%	0.00%	3.85%
Pct of Year Rate Increase Effective	50%	50%	50%	50%	50%	50%
Sewer Rate Revenue After Growth and Rate Increase	7,142,598	7,537,226	8,001,182	8,451,348	8,873,915	9,225,798
Other Revenue	488,420	488,420	488,420	488,420	488,420	488,420
Interest Income	145,933	144,214	114,158	86,630	90,352	90,958
Total Revenue	7,776,951	8,169,861	8,603,760	9,026,397	9,452,688	9,805,175
O&M	(4,689,527)	(5,101,372)	(5,482,416)	(5,818,143)	(6,253,277)	(6,762,156)
Debt Service	(2,475,455)	(2,451,193)	(2,447,623)	(2,444,048)	(2,446,416)	(2,535,850)
Capital Outlay	(446,200)	(310,400)	(261,900)	(62,080)	(179,450)	(3,880)
Cash Funded Capital	(523,486)	(224,211)	(5,303,520)	(215,000)	(465,000)	(515,000)
Net Cash Flow	(357,717)	82,685	(4,891,699)	487,126	108,545	(11,710)
Ending Unrestricted Balances	11,495,812	11,578,497	6,686,798	7,173,924	7,282,469	7,270,758
Summary Results of Combined Water and Sewer Fund	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Debt Service Coverage Calculation						
Rate Revenue	16,743,083	18,120,412	19,599,386	21,131,493	22,449,129	23,072,516
Other Revenue	1,142,330	1,142,330	1,142,330	1,142,330	1,142,330	1,142,330
Interest Income	318,060	293,352	257,879	227,166	231,578	233,252
Total Revenue	18,203,473	19,556,094	20,999,595	22,500,989	23,823,037	24,448,098
O&M	(14,739,493)	(15,815,621)	(17,165,610)	(18,467,478)	(19,679,005)	(20,993,108)
Net Income	3,463,979	3,740,473	3,833,985	4,033,511	4,144,033	3,454,990
Debt Service - Existing	2,652,717	2,626,983	2,622,683	2,619,051	2,621,961	2,742,988
Debt Service Coverage	1.31	1.42	1.46	1.54	1.58	1.26
Summary of Increase in Rate Revenue (excluding Growth related increases)						
Total Full Year Rate Revenue Increase (excluding Growth)	16,190,505	17,515,040	18,941,372	20,362,022	21,380,123	22,791,098
Total Rate Revenue Before Rate Increase	15,701,081	17,000,030	18,390,792	19,888,441	21,380,123	22,449,129
Annual Pct Rate Revenue Increase	3.12%	3.03%	2.99%	2.38%	0.00%	1.52%

As indicated, the revenue increase requirement over the next four years averages 3.35%. The model also assumes that we will transfer available funds to the construction funds to help cover the costs of maintenance/renewal projects. Those transfers are shown in the cash flow analysis (Table 1) as “Cash Funded Capital”. The City may need to review alternative financing mechanisms for funding additional project costs in future years which may result in new rate revenue requirements.

b. Cost of Service Analysis

Allocation of Costs to Water Cost Components

Customer related costs, such as billing, customer service costs and meter reading for water customers were allocated directly to the water customer charge rate component. Meter related costs, such as meter repair and replacement costs associated with maintaining the utility’s readiness to serve customers were allocated to the meter, or *readiness to serve*, charge. Other costs, such as transmission costs and treatment costs that are associated with flow-related activity, were allocated to the flow charge.

Allocation of Costs to Wastewater Cost Components

Customer related costs, such as billing and customer service costs, for wastewater customers were allocated directly to the wastewater customer charge rate component. Costs related to the collection system are allocated to a volume charge and treatment costs are allocated to a strength charge both of which are then combined into a single flow charge.

The cost allocation process resulted in the percentage of the rate revenue requirement identified in the revenue sufficiency analysis that is to be recovered through the following rate components for each Utility:

Water Rate Components		Wastewater Rate Components	
Customer charge	5%	Customer Charge	17%
Readiness to serve charge	19%	Flow Charge	83%
Flow Charge	76%		

c. Rate Design Analysis

The development of cost components sets the basis for actual rate development. The rate design considers different variables for each utility that determine the fairness and equity of the rate structure. For each utility, customer classes are identified in order to ensure the equitable allocation of costs.

The rates and charges developed during this rate update were developed using the same general rate-making objectives from the original study:

- ✓ Revenue stability
- ✓ Discouragement of wasteful water use

- ✓ Promotion of fairness and equity among rate-payers
- ✓ Understandability of rates

Assumptions used in the development of the rate structures presented include:

- ✓ Continuation of conservation rate structure for water customers
- ✓ Use of winter average water usage as the basis for sewer billings for residential customers
- ✓ Use of sewer return factor of 80% for all users except for multi-family for which a 100% return factor was used; and laundries and car washes, for which a 70% return factor was used in recognition that these types of users return less water to the wastewater system by the nature of their business.
- ✓ Allocation of costs of wastewater treatment based on estimated contribution to the wastewater system by user class.

Allocation of Costs to Water Customers

The rate revenue requirement for each rate component was apportioned by customer class in the following manner:

- ✓ Customer charge – The number of customers, by customer class, was compiled from the most recent fiscal year’s utility billing data to determine the number of customers and number of bills issued per year. The total costs were allocated on a per bill basis to develop the monthly charge.
- ✓ Readiness to serve charge – In order to properly apportion the rate revenue requirement for the readiness to serve charge among customer classes, equivalent units for each customer class were calculated in the following manner:
 - Equivalent Residential Units (ERUs) - The number of equivalent units for all customers, except multi-unit customers, was determined by calculating the equivalent residential units by meter size by class. Equivalent residential units for each class were calculated by multiplying the number of meters times the meter equivalency factor for each meter size. The meter equivalency factors used are established by the American Water Works Association (AWWA). The number of equivalent units was calculated by multiplying the number of units for multi-unit customers by the ratio of average monthly demand for multi-unit customers (4,700 gallons per month) as compared to single family residential customers (10,000 gallons per month), or 47%.

The rate revenue requirement for the readiness to serve charge was then apportioned based on the pro-rata portion of equivalent residential units for each class based on meter size.

- ✓ Flow rate – The water conservation component of the water rate design includes the development of four (4) blocks of water usage. The volume of water flow, by customer class, was compiled in order to determine the distribution of flow by

class and rate block. The rate revenue requirement for the flow rate was then apportioned based on the pro-rata portion of customers for each class. One of the main objectives in the development of the current rate structure was to incorporate a conservation rate structure which alters the apportionment of the rate revenue requirement among customer classes based on their usage patterns.

The calculation of a user's monthly water bill is represented by the following formula:

$$\text{Water Charge} = \text{CC} + (\text{R} \times \text{M} \times \text{U}) + [(\text{B1} \times \text{V1}) + (\text{B2} \times \text{V2}) + (\text{B3} \times \text{V3}) + (\text{B4} \times \text{V4})]$$

Where:

B1= Rate per 1,000 gallons in block one

B2= Rate per 1,000 gallons in block two

B3= Rate per 1,000 gallons in block three

B4= Rate per 1,000 gallons in block four

CC = Customer charge per bill

M=Meter equivalency factor

R=Readiness to serve charge for 0.75" Meter per unit

U=Number of units

V1= Water usage in thousands of gallons in block one

V2= Water usage in thousands of gallons in block two

V3= Water usage in thousands of gallons in block three

V4= Water usage in thousands of gallons in block four

The blocks for water usage are determined using the 3/4" meter as the base. Except for hydrant meters and residential customers with a 3/4" or 1" meter, all blocks are adjusted by the meter equivalency factor. Hydrant meters have relatively high capacity when compared to the standard meter and are therefore calculated separately.

Allocation of Costs to Wastewater Customers

The rate revenue requirement for each rate component for wastewater was apportioned by customer class in the following manner:

- ✓ Customer charge – The number of customers, by customer class, was compiled from the most recent fiscal year's utility billing data to determine the number of customers and number of bills issued per year. The total costs were allocated on a per bill basis to develop the monthly charge.
- ✓ Flow rate – The volume of wastewater flow, adjusted to reflect the assumed return factors by customer was compiled in order to determine the distribution of flow by class. The volume charge was developed using volume data from the last fiscal year's billing data. The costs of the collection system were reduced to a cost per 1,000 gallons based on total billed volumes. The second component is the allocation of treatment costs. Strength of wastewater is measured based on wastewater loadings of Biochemical Oxygen Demand (BOD) and Suspended Solids (SS). The costs of treatment were apportioned between the two categories based on the estimated pounds of BOD and SS removed from wastewater by user

class. Except for the residential class, these estimated pounds were calculated based on typical (Industry Standards) user strength characteristics developed by the California State Water Resources Control Board in 1998. The residential strength characteristics are based on the local residential contributions estimated by the Water Resources Department staff. These loadings by customer class are presented in Table 2.

Table 2-Typical User Strengths

Standard Classifications	BOD (mg/l)	SS (mg/l)
Residential	250	225
Auto Steam Cleaning	1,150	1,250
Bakery, wholesale	1,000	600
Bars without dining facilities	200	200
Car Wash	20	150
Department and Retail Store	150	150
Hospital and Convalescent	250	100
Hotel with dining facilities	500	600
Hotel/Motel without dining	310	120
Industrial Laundry	670	680
Laundromat	150	110
Laundry, commercial	450	240
Market with garbage grinders	800	800
Mortuary	800	800
Professional Office	130	80
Repair Shop and Service Station	180	280
Restaurant	1,000	600
School and College	130	100
Septage	5,400	12,000
Soft Water Service	3	55

The volume charge and the strength charge are then combined into one flow charge by customer class. The resulting rate structure eliminates the need to assess an extra strength charge. This type of rate structure is utilized by various cities and towns throughout Arizona.

The calculation of a user's monthly wastewater bill is represented by the following formula:

$$\text{Wastewater Charge} = CC + Vs[(Bc \times 0.00834 \times Bm) + (Sc \times 0.00834 \times Sm)]$$

Where:

Bc = Cost of treatment per unit of Biochemical Oxygen Demand (BOD)

Bm = Concentration of BOD in milligrams per liter

CC = Customer charge per bill

Sc = Cost of treatment per unit of Suspended Solids (SS)

Sm = Concentration of SS in milligrams per liter

Vs = Volume of wastewater in thousands of gallons

Volumes of wastewater are determined based on 80% of the average winter quarter (December, January and February) water usage for single family residential customers. Multi-family customer wastewater volumes are based on 100% of billed water volume. Laundries and Car Washes wastewater volumes are based on 70% of billed water usage each month. All other customer class wastewater volumes are based on 80% of billed water usage.

III. Results

As shown in the revenue sufficiency analysis, the rate recommendations proposed by Red Oak Consulting in December of 2004 have changed slightly. The financial plan still provides a series of level annual rate increases which allows for gradual rate increases over the four years to generate the additional rate revenue required. The requirements in the fifth and sixth years are subject to changes based on the financing decisions made for financing additional capital improvements. Table 3 presents the results of the current year update compared to the recommendations made in the original study.

Table 3-Comparison of Revenue Adjustment Recommendations

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
2005 Study Revenue Increase	4.3%	1.3%	0.8%	3.5%	N/A	N/A
2007 Update Revenue Increase	3.1%	3.0%	3.0%	2.4%	0.00%	1.52%

According to the model's calculations, a rate increase is required for the water system only in the current year (5.5%). Increases are needed for both the water system and wastewater systems in years two and three. The overall system revenue increase still averages about 3% over the five year period. However, based on recent estimates for construction costs of treatment facilities discussed at the October 9, 2006 Council work session, additional increases may be required in order to adequately fund planned improvements.

a. Water Rates

The current rates for water consumption are compared to the proposed rates in Table 4.

Table 4-Water Rate Comparison

Water Rates	Current	Proposed
Customer Charge Per Bill - all users	\$ 1.76	\$ 2.28
Meter Size-Base Fee all users		
3/4" Meter	\$ 7.26	\$ 7.52
1" Meter	15.51	15.98
1 1/2" Meter	29.26	30.08
2" Meter	45.76	48.13
3" Meter	84.26	90.24
4" Meter	139.26	150.39
6" Meter	276.76	300.79
Hydrant Meter	276.76	300.79
Residential Usage Charge per 1,000 gallons		
0-4,000 gal	\$ 0.89	\$ 0.90
5,000-8,000 gal	1.19	1.39
9,000-12,000gal	1.79	2.08
13,000 + gal	2.98	3.17
Non-Residential Usage Charge per 1,000 gallons		
0-4,000 gal	\$ 1.19	\$ 1.39
5,000-8,000 gal	1.19	1.39
9,000-12,000gal	1.79	2.08
13,000 + gal	2.98	3.17
Hydrant Usage – all gal	1.79	2.08

Multi-family rates are adjusted by the 47% unit equivalency factor and rate blocks are adjusted by the meter equivalency factor.

The current rates for wastewater services are compared to the proposed rates in Table 5.

Table 5 - Sewer Rate Comparison

	<u>Current Rates</u>		<u>Proposed Rates</u>	
Customer Charge all users	\$ 6.65		\$ 6.65	
<u>Customer Class</u>	<u>Volume charge per 1,000 gal</u>	<u>Volume charge per 1,000 gal</u>	<u>Return Factor</u>	
Residential	\$ 2.93	\$ 2.93	80%	
Multi-family	2.93	2.93	100%	
Mobile Home Park	2.93	2.93	80%	
Auto Steam Cleaning	7.37	7.37	70%	
Bakery Wholesale	5.91	5.91	80%	
Hospital & Convalescent	2.74	2.74	80%	
Markets with Garbage Disposal	5.56	5.56	80%	
Repair Shop and Service Station	2.79	2.79	80%	
Restaurant	5.91	5.91	80%	
Schools & Colleges	2.36	2.36	80%	
Bars W/O Dining	2.73	2.73	80%	
Laundromat	2.44	2.44	70%	
Commercial Laundry	3.60	3.60	70%	
Car Wash	2.08	2.08	70%	
Professional Office	2.33	2.33	80%	
Department Store & Retail	2.50	2.50	80%	
Hotel w/Dining	4.30	4.30	80%	
Hotel w/o Dining	2.97	2.97	80%	
Mortuaries	5.56	5.56	80%	
*Residential charges are calculated using the average water usage for the months of December, January and February, adjusted by the listed return factor.				

b. Estimated Impact on Customer Bills

The customer impact of each of this plan is presented in Figure 1 for residential customers with a 3/4" meter.

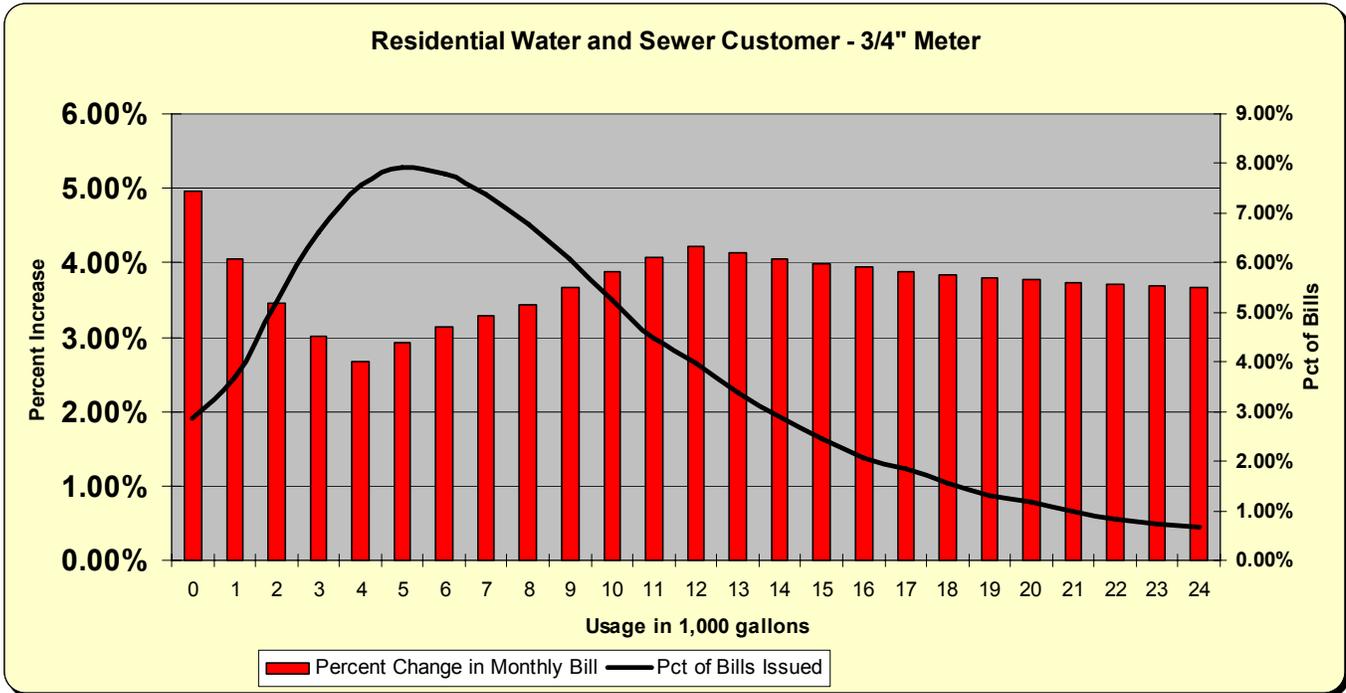


Figure 1 - Residential Customer Impact

IV. Sample Bills

For comparison purposes, examples of average bills are presented on the following pages. The figures include a full month utility bill including all water, wastewater and sanitation services. The impact varies from 1.5% to 3.4% for residential customers with a 3/4" or 1" meter.

Figure 2-Average Residential Customer 3/4" Meter

Residential	Gallons Billed	Current	Proposed
<u>Water 3/4" Meter</u>	10		
Base Fee		\$ 9.02	\$ 9.80
Volume Charge		11.90	13.33
Sub-Total		20.92	23.13
<u>Sewer (Winter Average)</u>	8		
Base Fee		\$ 6.65	\$ 6.65
Volume Charge on 80%	6	17.58	17.58
Sub-Total		24.23	24.23
<u>Sanitation</u>		16.50	16.50
<u>Taxes</u>		1.92	2.13
Total		\$ 63.57	\$ 65.99
Total Bill Change			\$ 2.42

Figure 3 - Residential Customer 1" Meter

Residential	Gallons Billed	Current	Proposed
<u>Water</u>	15		
Base Fee		\$ 17.27	\$ 18.26
Volume Charge		14.85	15.97
Sub-Total		32.12	34.23
<u>Sewer (Winter Average)</u>	10		
Base Fee		\$ 6.65	\$ 6.65
Volume Charge on 80%	8	23.44	23.44
Sub-Total		30.09	30.09
<u>Sanitation</u>		16.50	16.50
<u>Taxes</u>		2.93	3.12
Total		\$ 81.64	\$ 83.95
Total Bill Change			\$ 2.31

Figure 4 - Higher User Residential Customer 3/4" Meter

Residential	Gallons Billed	Current	Proposed
<u>Water</u>	35		
Base Fee		\$ 9.02	\$ 9.80
Volume Charge		84.02	90.31
Sub-Total		93.04	100.11
<u>Sewer (Winter Average)</u>	15		
Base Fee		\$ 6.65	\$ 6.65
Volume Charge on 80%	12	35.16	35.16
Sub-Total		41.81	41.81
<u>Sanitation</u>		16.50	16.50
<u>Taxes</u>		8.74	9.40
Total		\$ 160.09	\$ 167.82
Total Bill Change			\$ 7.73

V. Update Recommendations

Based on the findings of the rate analysis, it is recommended that the City implement 3% annual increases in water/wastewater revenue to ensure there is adequate revenue to cover the costs of operations and maintenance, maintain working capital reserves and maintain debt coverage ratios.

This report is presented for review and consideration to the Water/Wastewater Citizens' Advisory Committee.

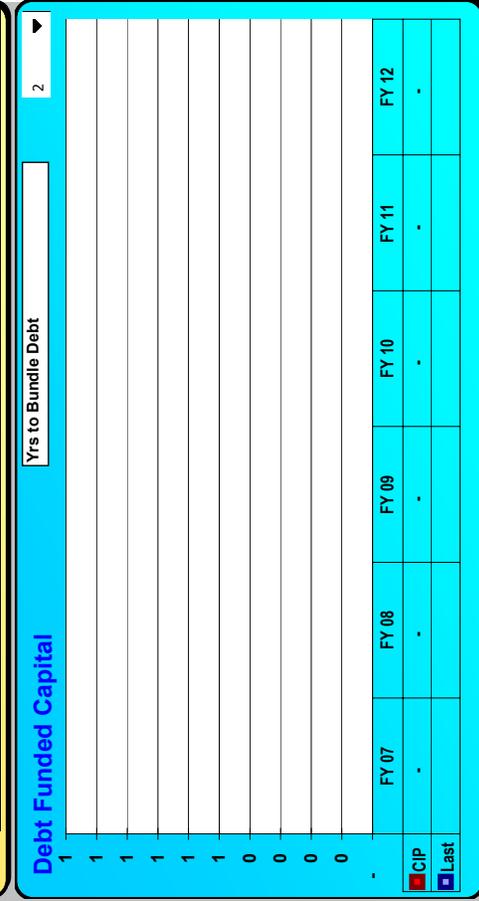
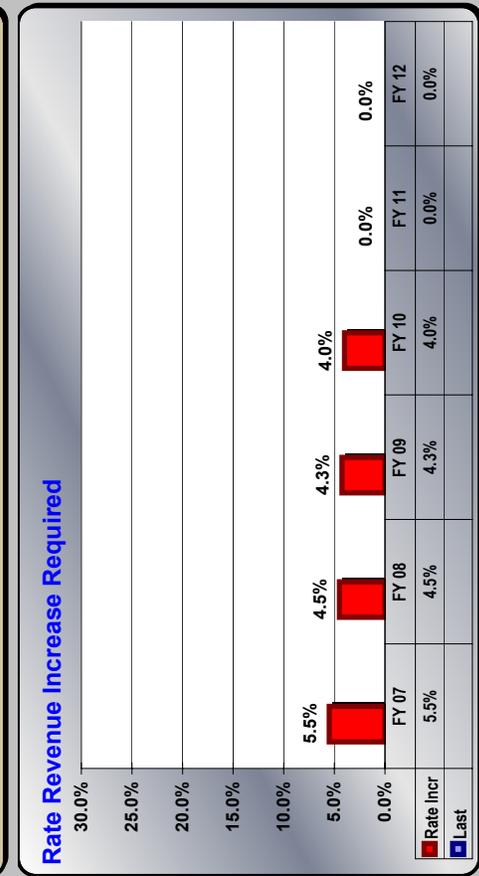
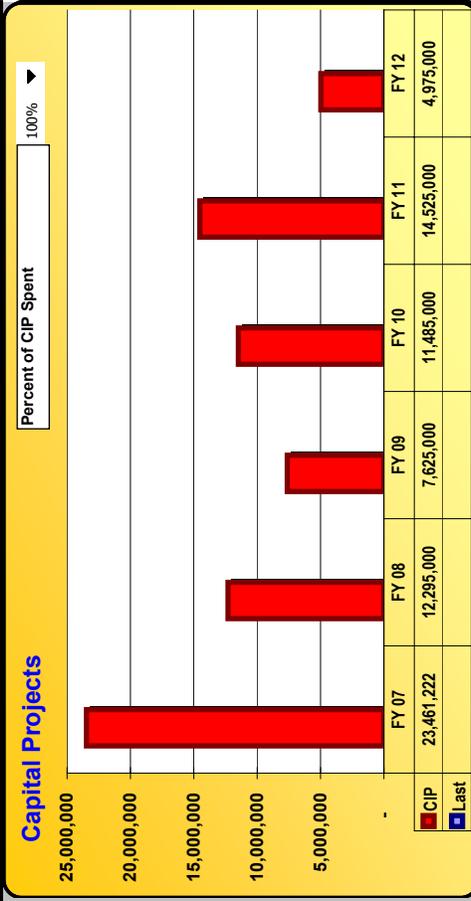
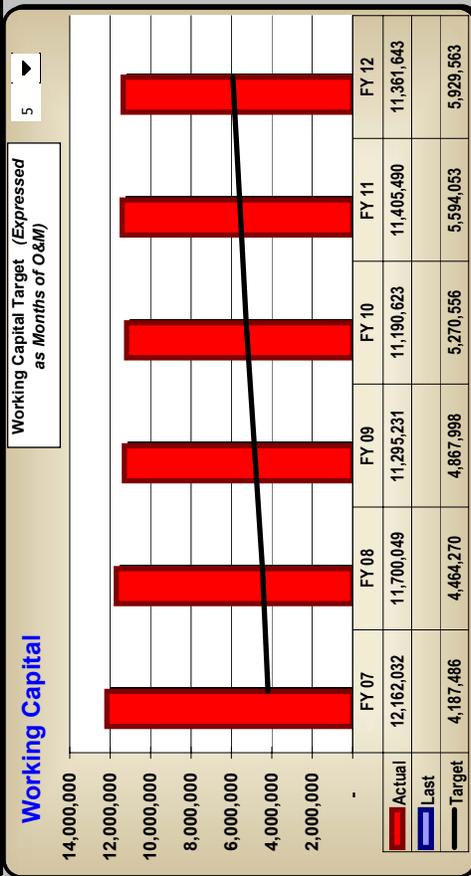
Figure 1a

WATER

City of Avondale, Arizona
Revenue Sufficiency Analysis - WATER FUND

Dashboard

	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Combined DIS Cov-Rcov	1.31	1.42	1.46	1.54	1.58	1.26
Combined DIS Cov-Parity	NA	NA	NA	NA	NA	NA



Excise Tax Bonds?	NA	NA	NA	NA	NA	NA
RATE INCR: %	5.5%	4.5%	4.3%	4.0%	0.0%	0.0%
	N	Y	N	N	N	N
			4.3%	4.0%		

Figure 1b

SEWER
City of Avondale, Arizona
 Revenue Sufficiency Analysis - SEWER FUND
 Dashboard

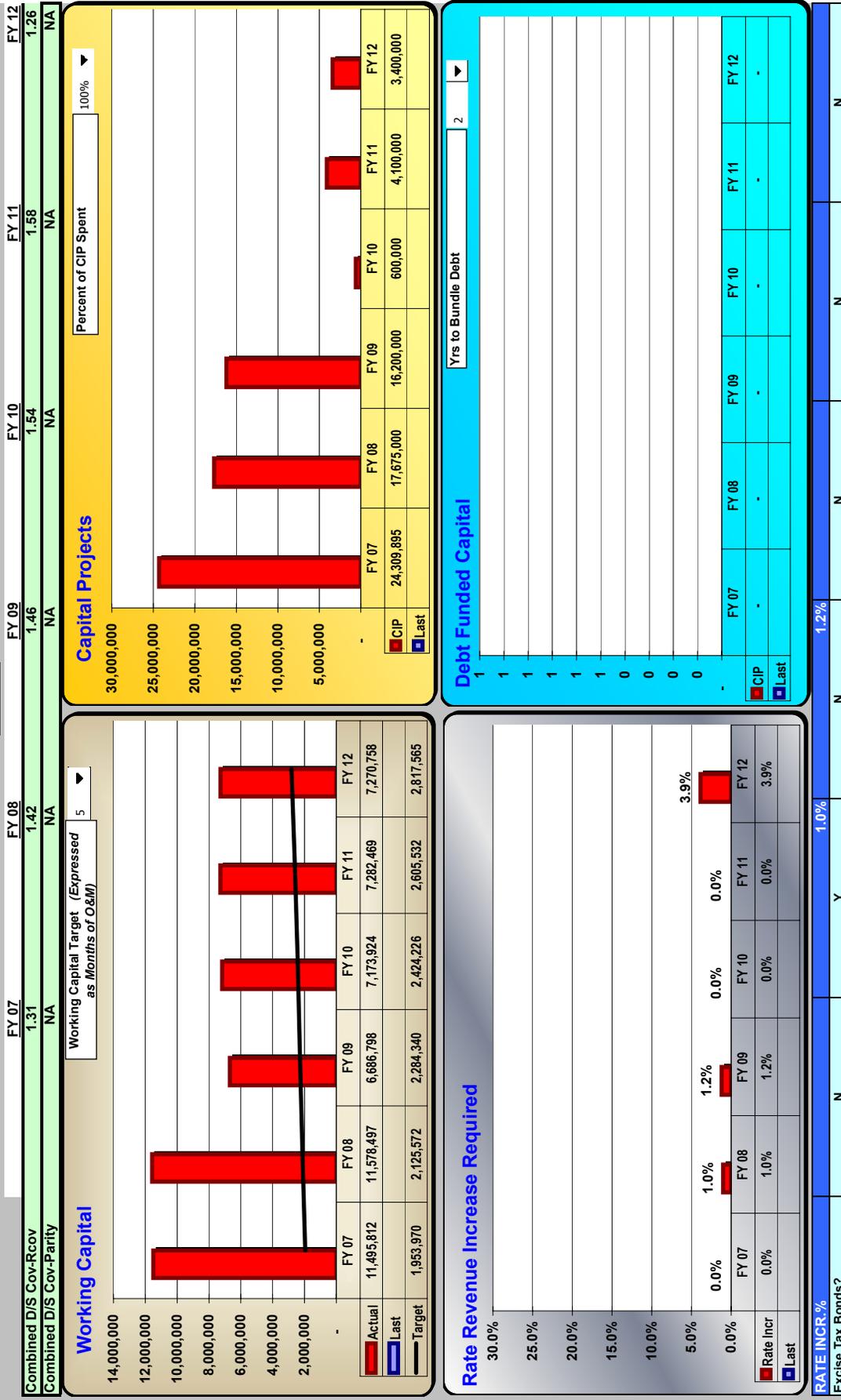


Figure 3
City of Avondale, Arizona
 Revenue Sufficiency Analysis
 5 Year Capital Improvements Program

Project Type	Eligible Project	Funding Source	% Related to Expansion of System Capacity	Project Description	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	Total	Expansion Portion	Non Expansion Portion	Total
GEN	Y	Y	Y	25% PWT/035 Public Works Operation & Maint. Building	610,033						610,033	152,508	457,525	610,033
DIST	Y	Y	Y	50% WA1010 Dysart Rd. @ I-10 Intersection	488,303						488,303	244,152	244,152	488,303
DIST	Y	Y	Y	50% WA1017 Central Ave. Lower Buckeye to E Brooke PL	400,000						400,000	400,000		400,000
SOS	Y	Y	Y	100% WA1056 NAUSP Recharge Site	288,407						288,407	1,038,407	1,038,407	1,038,407
DIST	Y	Y	Y	0% WA1057 Garden Lakes Water Improvements	150,000	150,000	150,000	150,000	150,000	150,000	1,038,407	1,038,407		1,038,407
DIST	Y	Y	Y	0% WA1058 South Avondale Water Improvements	416,032	175,000	175,000	175,000	175,000	175,000	1,291,032	1,291,032		1,291,032
GEN	Y	Y	Y	0% WA1061 Water System Security Implementation	284,473	200,000	200,000	200,000	200,000	200,000	1,284,473	1,284,473		1,284,473
TRANS	Y	Y	Y	100% WA1062 Northeast Transmission Line - 119th to 107th Avenue	36,680	36,680					36,680	36,680		36,680
TRANS	Y	Y	Y	66% WA1065 Lower Buckeye Road Water Line	1,525,247						1,525,247	1,006,663	518,584	1,525,247
SOS	Y	Y	Y	100% WA1066 Northeast Area Reservoir (Garden Lakes Reservoir)	918,840						918,840	918,840		918,840
SOS	Y	Y	Y	100% WA1067 Northeast Area Well 17	2,135,291	500,000	500,000	500,000	500,000	500,000	4,635,291	4,635,291		4,635,291
TRT	Y	Y	Y	100% WA1068 Well Head Treatment	4,262						4,262	4,262		4,262
TRANS	Y	Y	Y	0% WA1069 Glen Arm Farms Service Line Replacement	1,267,153						1,267,153	1,267,153		1,267,153
SOS	Y	Y	Y	100% WA1073 Baker Well at 119th and Encanto (well #23)	238,763						238,763	238,763		238,763
SOS	Y	Y	Y	100% WA1074 Well #20 at El Mirage/Indian School	15,640						15,640	15,640		15,640
SOS	Y	Y	Y	100% WA1076 Coldwater Springs Reservoir & Booster	4,927,515	250,000	250,000	250,000	250,000	250,000	3,165,175	3,165,175		3,165,175
DIST	Y	Y	Y	100% WA1077 Del Rio Well and Reservoir (SE Reservoir & Booster) Well #21	1,915,175						1,915,175			1,915,175
SOS	Y	Y	Y	100% WA1080 Recharge distribution system	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000	2,400,000		2,400,000
SOS	Y	Y	Y	100% WA1081 Central Arizona Project water purchase	467,405						467,405	467,405		467,405
SOS	Y	Y	Y	100% WA1084 Exploratory Boring & Well Production Evaluation	284,909						284,909	142,454	142,454	284,909
TRANS	Y	Y	Y	50% WA1086 Arsenic Treatment for North Wells (6,7 & 20)	150,000						150,000	150,000		150,000
TRANS	Y	Y	Y	100% WA1089 16" Water Transmission Line - Van Buren (Coldwater)	700,000	700,000	1,200,000				1,900,000	1,900,000		1,900,000
SOS	Y	Y	Y	100% WA1090 Nelson Well - South of I-10/East of Agua Fria	570,000						570,000	2,820,000		2,820,000
TRANS	Y	Y	Y	100% WA1098 Dysart Road Waterline - Van Buren to Western	2,260,000						2,260,000	31,449		31,449
GEN	Y	Y	Y	100% WA1099 Additional Wells (2 per year)	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	39,446	1,200,000	1,200,000
GEN	Y	Y	Y	0% WA1100 System Monitoring	39,446						39,446	39,446		39,446
DIST	Y	Y	Y	100% WA1111 16" Water Transmission Line - McDowell (Gateway) (McDowell 99th Ave to	112,000	150,000	150,000	150,000	150,000	150,000	562,000	562,000		562,000
TRANS	Y	Y	Y	0% WA1114 Emergency Interconnection w/ Other Water Co.	143,500						143,500	143,500		143,500
DIST	Y	Y	Y	100% WA1116 Roosevelt Street Waterline	120,000	100,000	100,000	100,000	100,000	100,000	620,000	620,000		620,000
TRANS	Y	Y	Y	100% WA1120 Misc. Water Distribution Connectivity Project	350,000	700,000	1,300,000	1,300,000	1,300,000	1,300,000	2,350,000	2,350,000		2,350,000
SOS	Y	Y	Y	100% WA1131 Pymian Well at Lower Buckeye	500,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,500,000	3,500,000		3,500,000
PMP	Y	Y	Y	100% WA1133 99th - Thomas to N. of McDowell Waterline	155,000						155,000	855,000		855,000
DIST	Y	Y	Y	100% WA1134 McDowell / RSP Booster Station to Waterline	125,000						125,000	1,800,000		1,800,000
GEN	Y	Y	Y	100% WA1135 McDowell - El Mirage to Avondale Waterline Imp	400,000						400,000	1,800,000		1,800,000
TRANS	Y	Y	Y	0% WA1136 Abandon & Demolish Well 2 & 5 Facilities										
TRANS	Y	Y	Y	75% WA1137 4th Street Waterline - Western to Lower Buckeye										
SOS	Y	Y	Y	100% WA1138 South Avondale Reservoir (PIR)										
TRANS	Y	Y	Y	100% WA1139 PIR Water Line on 115th- Lower Buckeye to Gila River										
TRANS	Y	Y	Y	100% WA1140 PIR Indian Springs Rd. Gila River to El Mirage Rd.										
SOS	Y	Y	Y	100% WA1141 SRP paired Well at 119th and Whyman										
SOS	Y	Y	Y	100% WA1142 Lakin Well at 112th and Buckeye										
SOS	Y	Y	Y	0% WA1143 Well at Cashion	150,000						150,000			150,000
DIST	Y	Y	Y	50% WA1153 127th Ave Lower Buckeye Rd to Dysart (Util CIP project book)	800,000	800,000					1,600,000	800,000		1,600,000
SOS	Y	Y	Y	100% WA1155 Wieber Well - SWC Avondale/Van Buren	500,000	1,500,000					2,000,000	2,000,000		2,000,000
SOS	Y	Y	Y	100% WA1160 Well 24 - Gateway crossing	394,569	1,800,000					2,194,569	2,194,569		2,194,569
DIST	Y	Y	Y	100% WA1169 Rio Vista subdivision waterline replacement	16,132						16,132			16,132
SOS	Y	Y	Y	100% WA1190 Landcrest Well - El Mirage/1300' N. of Indian School	800,000						800,000			800,000
TRANS	Y	Y	Y	100% Van Buren & 105th to 99th East of UTI - \$500,000 / \$1.5 million										
SOS	Y	Y	Y	100% WARWEST well										
SOS	Y	Y	Y	100% Evaluation of water sources / well sites										
SOS	Y	Y	Y	50% Design for Surface water plant										
SOS	Y	Y	Y	50% Surface water construction										
GEN	Y	Y	Y	50% SCADA monitoring upgrades										
PMP	Y	Y	Y	100% Latin Booster Station & Storage Tank										
TRANS	Y	Y	Y	100% South Avondale/Lakin System Expansion - Transmission lines										
PMP	Y	Y	Y	100% Additional Storage Tank & Booster at Coldwater										
SOS	Y	Y	Y	100% Additional Storage Tank Del Rio										
SOS	Y	Y	Y	0% SRP Ground Water Restoration										
Total					\$ 23,461,222	\$ 12,285,000	\$ 7,625,000	\$ 11,485,000	\$ 14,525,000	\$ 4,975,000	\$ 74,366,222	\$ 64,648,335	\$ 7,817,887	\$ 72,466,222

Notes: Expansion Percentages provided by City staff

Figure 3

City of Avondale, Arizona
Revenue Sufficiency Analysis
5 Year Capital Improvements Program

Raw Project Amounts		Project Description										Expansion Portion		Non Expansion Portion		Total	
Project Type	Eligible Project Funding Sources	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	Total	Expansion Portion	Non Expansion Portion	Total	Expansion Portion	Non Expansion Portion	Total	Expansion Portion	Non Expansion Portion	Total
GEN	N	201,520	100,000	100,000	100,000	100,000	250,000	201,520	161,216	40,304	201,520	161,216	40,304	201,520	161,216	40,304	201,520
COLL	Y	100,000	100,000	100,000	100,000	100,000	250,000	750,000	-	750,000	750,000	-	750,000	750,000	-	750,000	750,000
TRT	Y	19,455,542	16,900,000	13,000,000	100,000	1,000,000	2,500,000	39,855,542	39,855,542	-	39,855,542	39,855,542	-	39,855,542	39,855,542	-	39,855,542
COLL	Y	50,000	-	-	-	-	-	50,000	50,000	-	50,000	50,000	-	50,000	50,000	-	50,000
COLL	Y	157,000	-	-	-	-	-	157,000	157,000	-	157,000	157,000	-	157,000	157,000	-	157,000
COLL	Y	1,308,651	250,000	250,000	250,000	250,000	250,000	2,558,651	2,558,651	-	2,558,651	2,558,651	-	2,558,651	2,558,651	-	2,558,651
COLL	Y	963,500	-	-	-	-	-	963,500	963,500	-	963,500	963,500	-	963,500	963,500	-	963,500
COLL	Y	133,000	-	-	-	-	-	133,000	133,000	-	133,000	133,000	-	133,000	133,000	-	133,000
GEN	Y	1,365,020	150,000	150,000	150,000	150,000	150,000	1,365,020	1,365,020	-	1,365,020	1,365,020	-	1,365,020	1,365,020	-	1,365,020
LS	Y	275,000	100,000	100,000	100,000	100,000	100,000	700,000	700,000	-	700,000	700,000	-	700,000	700,000	-	700,000
GEN	Y	200,000	100,000	100,000	100,000	100,000	100,000	700,000	700,000	-	700,000	700,000	-	700,000	700,000	-	700,000
LS	N	100,662	175,000	1,300,000	-	2,250,000	150,000	2,250,000	2,250,000	-	2,250,000	2,250,000	-	2,250,000	2,250,000	-	2,250,000
TRT	Y	-	-	-	-	250,000	150,000	400,000	400,000	-	400,000	400,000	-	400,000	400,000	-	400,000
LS	N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COLL	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COLL	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		\$ 24,309,895	\$ 17,675,000	\$ 16,200,000	\$ 600,000	\$ 4,100,000	\$ 3,400,000	\$ 53,284,895	\$ 44,811,409	\$ 4,523,486	\$ 48,334,895	\$ 44,811,409	\$ 4,523,486	\$ 48,334,895	\$ 44,811,409	\$ 4,523,486	\$ 48,334,895

Notes: Expansion Percentages provided by City staff

EXISTING WATER RATES

Water Rates		
Customer Charge per Bill	\$	1.76
Base Charge		
	Meter Size	Charge per Meter
	0.75	\$ 7.26
	1	\$ 15.51
	1.5	\$ 29.26
	2	\$ 45.76
	3	\$ 84.26
	4	\$ 139.26
	6	\$ 276.76

****Meter Charge for Multi-Family will be based upon a 47% Unit Equivalency Factor applied to the 0.75" Meter Charge times number of units. Hydrant Meters are charged at the 6" Meter rate.**

Flow Charge per 1,000 Gallons				
From:	To:	Residential	Non Residential	
-	4,000	0.89	1.19	
5,000	8,000	1.19	1.19	
9,000	12,000	1.79	1.79	
13,000	And Over	2.98	2.98	
Hydrant Usage			1.79	

****Usage Blocks for Multi-Family will be based upon a 47% Unit Equivalency Factor applied to the outer range of the block times the number of units.**
****Usage Blocks for Non Residential will be expanded, by meter size, based upon AWWA meter equivalency factors.**

PROPOSED WATER RATES

Water Rates		Baseline		Adjusted Baseline	
Customer Charge per Bill	\$	2.28		\$	2.28
Base Charge					
	Meter Size	Charge per Meter		Charge per Meter	
	0.75	\$ 7.52		\$ 7.52	
	1	\$ 15.04		\$ 15.98	
	1.5	\$ 30.08		\$ 30.08	
	2	\$ 48.13		\$ 48.13	
	3	\$ 90.24		\$ 90.24	
	4	\$ 150.39		\$ 150.39	
	6	\$ 300.79		\$ 300.79	

****Meter Charge for Multi-Family will be based upon a 47% Unit Equivalency Factor applied to the 0.75" Meter Charge times number of units.**

Flow Charge per 1,000 Gallons				
From:	To:	Residential	Non Residential	
-	4,000	0.90	1.39	
5,000	8,000	1.39	1.39	
9,000	12,000	2.08	2.08	
13,000	And Over	3.06	3.06	
Hydrant Usage			3.17	
			2.08	

****Usage Blocks for Multi-Family will be based upon a 47% Unit Equivalency Factor applied to the outer range of the block times the number of units.**
****Usage Blocks for Non Residential will be expanded, by meter size, based upon AWWA meter equivalency factors.**

EXISTING WASTEWATER RATES

Wastewater Rates
Customer Charge per Bill \$ 1.42
Base Charge

Meter Size	Charge per Meter	
	Residential	Non Residential
0.75 \$	5.23 \$	5.23 \$
1 \$	5.23 \$	5.23 \$
1.5 \$	5.23 \$	5.23 \$
2 \$	5.23 \$	5.23 \$
3 \$	5.23 \$	5.23 \$
4 \$	5.23 \$	5.23 \$
6 \$	5.23 \$	5.23 \$

Volume Charge per 1,000 Gallons

	Residential	Non Residential
Residential		2.93
Multi-Family		2.93
Mobile Home Park		2.93

101 Residential		2.93
301 Multi-Family		2.93
302 Mobile Home Park		2.93
010 Auto Steam Cleaning		7.37
111 Bakery Wholesale		5.91
112 Hospital & Convalescent		2.74
115 Markets with Garbage Disposal		5.56
117 Repair Shop and Service Station		2.79
118 Restaurant		5.91
120 Schools & Colleges		2.36
121 Bars W/O Dining		2.73
177 Laundromat		2.44
178 Commercial Laundry		3.60
179 Car Wash		2.08
201 Professional Office		2.33
202 Department Store & Retail		2.50
600 Hotel w/Dining		4.30
601 Hotel w/o Dining		2.97
602 Mortuaries		5.56

** Billed Wastewater Usage is assumed to be 80% of billed water usage for all customers except laundries and car wash facilities, which are assumed to be billed at 70% of billed water usage.

PROPOSED WASTEWATER RATES

Wastewater Rates
Customer Charge per Bill \$ 6.23
Base Charge

Meter Size	Charge per Meter		Adjusted Baseline	
	Residential	Non Residential	Residential	Non Residential
0.75 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$
1 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$
1.5 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$
2 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$
3 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$
4 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$
6 \$	0.00 \$	0.00 \$	6.65 \$	6.65 \$

Volume Charge per 1,000 Gallons

	Residential	Non Residential	Residential	Non Residential
Base Volume - 8,000	-	-	1.49	1.49
And Over	-	-	1.49	1.49

101 Residential		\$ 1.28		\$ 2.93
301 Multi-Family				2.93
302 Mobile Home Park				2.93
010 Auto Steam Cleaning			6.85	7.37
111 Bakery Wholesale			4.92	5.91
112 Hospital & Convalescent			1.12	2.74
115 Markets with Garbage Disposal			4.62	5.56
117 Repair Shop and Service Station			1.25	2.79
118 Restaurant			4.92	5.91
120 Schools & Colleges			0.69	2.36
121 Bars W/O Dining			1.15	2.73
177 Laundromat			0.78	2.44
178 Commercial Laundry			2.15	3.60
179 Car Wash			0.39	2.08
201 Professional Office			0.64	2.33
202 Department Store & Retail			0.87	2.50
600 Hotel w/Dining			3.10	4.30
601 Hotel w/o Dining			1.39	2.97
602 Mortuaries			4.62	5.56

** Billed Wastewater Usage is assumed to be 80% of billed water usage for all customers except laundries and car wash facilities, which are billed at 70% of billed water usage and multi-family apartments which are billed at 100% of billed water usage.

Figure 5

Normal Strength - BOD
Normal Strength - SS

City of Avondale, Arizona
Cost of Service Analysis
Calculation of Estimated Pounds of BOD/SS Removed

Calculation of Estimated Pounds of BOD Removed															Calculation of Estimated Pounds of SS Removed														
Account Type	Water Rate Code	Sewer Rate Code	Class	Class 2	Meter Size	Inside / Outside	Wastewater Flow (1,000 Gallons)	Wastewater Flow (Liters)	Industry Standard Loading Factor (mg/L)	Total Estimated BOD Removed (Pounds)	Normal Strength Threshold (mg/L)	Estimated BOD Removed from Normal Strength Flows (mg)	Estimated BOD Removed from Extra Strength Flows (Pounds)	Estimated BOD from Normal Strength Flows (Pounds)	Estimated BOD from Extra Strength Flows (Pounds)	Industry Standard Loading Factor (mg/L)	Total Estimated SS Removed (Pounds)	Normal Strength Threshold (mg/L)	Estimated SS Removed from Normal Strength Flows (mg)	Estimated SS Removed from Extra Strength Flows (Pounds)	Estimated SS from Normal Strength Flows (Pounds)	Estimated SS from Extra Strength Flows (Pounds)							
01	001	101	Residential	Residential	0.75		133	503,959	250	125,892,329	1500	125,892,329	278	125,892,329	278	175	88,124,630	1000	88,124,630	194	88,124,630	194							
01	101	101	Residential	Residential	0.75		1,751,014	6,629,751,292	250	1,657,437,822,915	1500	1,657,437,822,915	3,654,025	1,657,437,822,915	3,654,025	175	1,160,206,476,040	1000	1,160,206,476,040	2,557,818	1,160,206,476,040	2,557,818							
01	102	101	Residential	Residential	0.75		41,703	157,897,377	250	39,474,344,311	1500	39,474,344,311	87,026	39,474,344,311	87,026	175	27,632,041,018	1000	27,632,041,018	60,918	27,632,041,018	60,918							
01	103	101	Residential	Residential	0.75		528	1,999,132	250	499,783,080	1500	499,783,080	1,102	499,783,080	1,102	175	349,848,156	1000	349,848,156	771	349,848,156	771							
01	104	101	Residential	Residential	0.75		1,833	6,940,170	250	1,735,042,398	1500	1,735,042,398	3,825	1,735,042,398	3,825	175	1,214,529,679	1000	1,214,529,679	2,678	1,214,529,679	2,678							
01	107	101	Residential	Residential	0.75		10,416	39,437,429	250	9,859,357,129	1500	9,859,357,129	21,736	9,859,357,129	21,736	175	6,901,549,990	1000	6,901,549,990	15,215	6,901,549,990	15,215							
01	201	201	Residential	Professional Office	0.75		2	7,572	130	984,421	2	984,421	2	984,421	2	80	605,798	1000	605,798	1	605,798	1							
02	101	101	Multi-Family	Multi-Family	0.75		339,748	1,286,365,924	250	321,591,480,970	1500	321,591,480,970	708,988	321,591,480,970	708,988	225	289,432,332,873	1000	289,432,332,873	638,089	289,432,332,873	638,089							
03	201	111	Commercial	Bakery Wholesale	6		59	223,388	1000	223,387,892	1500	223,387,892	492	223,387,892	492	600	134,032,735	1000	134,032,735	295	134,032,735	295							
03	203	111	Commercial	Bakery Wholesale	6		95	359,692	1000	359,692,368	1500	359,692,368	793	359,692,368	793	600	215,815,421	1000	215,815,421	476	215,815,421	476							
03	202	112	Commercial	Hospital & Convalescence	6		67	253,678	250	63,419,444	1500	63,419,444	140	63,419,444	140	100	25,367,778	1000	25,367,778	56	25,367,778	56							
03	204	112	Commercial	Hospital & Convalescence	6		1,696	6,421,455	250	1,605,363,834	1500	1,605,363,834	3,539	1,605,363,834	3,539	100	642,145,533	1000	642,145,533	1,416	642,145,533	1,416							
03	201	115	Commercial	Markets with Garbage Disposal	6		103	389,982	800	311,985,802	1500	311,985,802	688	311,985,802	688	800	311,985,802	1000	311,985,802	688	311,985,802	688							
03	203	115	Commercial	Markets with Garbage Disposal	6		200	757,247	800	605,797,673	1500	605,797,673	1,336	605,797,673	1,336	800	605,797,673	1000	605,797,673	1,336	605,797,673	1,336							
03	204	115	Commercial	Markets with Garbage Disposal	6		1,772	6,709,209	800	5,367,367,383	1500	5,367,367,383	11,833	5,367,367,383	11,833	800	5,367,367,383	1000	5,367,367,383	11,833	5,367,367,383	11,833							
03	201	117	Commercial	Repair Shop and Service Station	6		193	730,743	180	131,533,820	1500	131,533,820	290	131,533,820	290	280	204,608,164	1000	204,608,164	451	204,608,164	451							
03	202	117	Commercial	Repair Shop and Service Station	6		370	1,400,907	180	252,163,281	1500	252,163,281	556	252,163,281	556	280	392,253,993	1000	392,253,993	865	392,253,993	865							
03	203	117	Commercial	Repair Shop and Service Station	6		346	1,310,097	180	235,806,744	1500	235,806,744	520	235,806,744	520	280	366,810,491	1000	366,810,491	809	366,810,491	809							
03	204	117	Commercial	Repair Shop and Service Station	6		1,381	5,228,791	180	941,182,410	1500	941,182,410	2,075	941,182,410	2,075	280	1,464,061,526	1000	1,464,061,526	3,228	1,464,061,526	3,228							
03	201	118	Commercial	Restaurant	6		1,133	4,289,805	1000	4,289,804,772	1500	4,289,804,772	9,457	4,289,804,772	9,457	600	2,573,882,863	1000	2,573,882,863	5,674	2,573,882,863	5,674							
03	202	118	Commercial	Restaurant	6		334	1,264,603	1000	1,264,602,642	1500	1,264,602,642	2,788	1,264,602,642	2,788	600	758,761,585	1000	758,761,585	1,673	758,761,585	1,673							
03	203	118	Commercial	Restaurant	6		2,270	8,594,754	1000	8,594,754,486	1500	8,594,754,486	18,948	8,594,754,486	18,948	600	5,156,852,692	1000	5,156,852,692	11,369	5,156,852,692	11,369							
03	204	118	Commercial	Restaurant	6		1,483	5,614,987	1000	5,614,987,182	1500	5,614,987,182	12,379	5,614,987,182	12,379	600	3,368,992,309	1000	3,368,992,309	7,427	3,368,992,309	7,427							
03	201	121	Commercial	Schools & Colleges	6		289	1,094,222	130	142,248,866	1500	142,248,866	314	142,248,866	314	100	109,422,205	1000	109,422,205	241	109,422,205	241							
03	202	121	Commercial	Schools & Colleges	6		66	249,892	200	49,978,308	1500	49,978,308	110	49,978,308	110	200	49,978,308	1000	49,978,308	110	49,978,308	110							
03	204	121	Commercial	Schools & Colleges	6		42	159,022	200	31,804,378	1500	31,804,378	70	31,804,378	70	200	31,804,378	1000	31,804,378	70	31,804,378	70							
03	204	177	Commercial	Laundromat	6		10	37,862	150	5,679,353	1500	5,679,353	13	5,679,353	13	110	4,164,859	1000	4,164,859	9	4,164,859	9							
03	201	178	Commercial	Laundry	6		44	166,594	450	74,967,462	1500	74,967,462	165	74,967,462	165	240	39,982,646	1000	39,982,646	88	39,982,646	88							
03	204	201	Commercial	Professional Office	0.75		20	75,725	130	9,844,212	1500	9,844,212	22	9,844,212	22	80	6,057,977	1000	6,057,977	13	6,057,977	13							
03	201	201	Commercial	Professional Office	0.75		14,231	53,881,917	130	7,004,649,182	1500	7,004,649,182	15,443	7,004,649,182	15,443	80	4,310,553,343	1000	4,310,553,343	9,503	4,310,553,343	9,503							
03	202	201	Commercial	Professional Office	0.75		9,107	34,481,246	130	4,482,562,019	1500	4,482,562,019	9,882	4,482,562,019	9,882	80	2,758,499,704	1000	2,758,499,704	6,081	2,758,499,704	6,081							
03	203	201	Commercial	Professional Office	0.75		22,404	84,826,819	130	11,027,486,492	1500	11,027,486,492	24,311	11,027,486,492	24,311	80	6,786,145,533	1000	6,786,145,533	14,961	6,786,145,533	14,961							
03	204	201	Commercial	Professional Office	0.75		73,864	279,666,496	130	36,356,644,449	1500	36,356,644,449	80,153	36,356,644,449	80,153	80	22,373,319,661	1000	22,373,319,661	49,325	22,373,319,661	49,325							
03	205	201	Commercial	Professional Office	0.75		2,506	9,488,306	130	1,233,479,787	1500	1,233,479,787	2,719	1,233,479,787	2,719	80	759,064,484	1000	759,064,484	1,673	759,064,484	1,673							
03	201	201	Commercial	Professional Office	0.75		292	1,105,581	130	143,725,498	1500	143,725,498	317	143,725,498	317	80	88,446,460	1000	88,446,460	195	88,446,460	195							
03	201	202	Commercial	Department Store & Retail	1		887	3,358,391	150	503,758,627	1500	503,758,627	1,111	503,758,627	1,111	150	503,758,627	1000	503,758,627	1,111	503,758,627	1,111							
03	202	202	Commercial	Department Store & Retail	1		294	1,113,153	150	166,972,984	1500	166,972,984	368	166,972,984	368	150	166,972,984	1000	166,972,984	368	166,972,984	368							
03	203	202	Commercial	Department Store & Retail	1		315	1,182,664	150	178,899,625	1500	178,899,625	394	178,899,625	394	150	178,899,625	1000	178,899,625	394	178,899,625	394							
03	204	202	Commercial	Department Store & Retail	1		4,989	18,889,529	150	2,833,429,304	1500	2,833,429,304	6,247	2,833,429,304	6,247	150	2,833,429,304	1000	2,833,429,304	6,247	2,833,429,304	6,247							
03	301	301	Commercial	Multi-Family	0.75		360	1,363,045	250	340,761,191	1500	340,761,191	751	340,761,191	751	225	306,685,072	1000	306,685,072	676	306,685,072	676							
03	301	301	Commercial	Multi-Family	0.75		360	1,363,045	250	340,761,191	1500	340,761,191	751	340,761,191	751	225	306,685,072	1000	306,685,072	676	306,685,072	676							
04	201	120	Schools	Schools & Colleges	6		280	1,060,146	130	137,818,971	1500	137,818,971	304	137,818,971	304	100	106,014,593	1000	106,014,593	234	106,014,593	234							
04	202	120	Schools	Schools & Colleges	6		23	87,083	130	11,320,844	1500	11,320,844	25	11,320,844	25	100	8,708,342	1000	8,708,342	19	8,708,342	19							
04	203	120	Schools	Schools & Colleges	6		1,879	7,114,336	130	924,863,735	1500	924,863,735	2,039	924,863,735	2,039	100	711,433,642	1000	711,433,642	1,568	711,433,642	1,568							
04	204	120	Schools	Schools & Colleges	6		5,421	20,525,182	130	2,668,273,713	1500	2,668,273,713	5,883	2,668,273,713	5,883	100	2,052,518,241	1000	2,052,518,241	4,525	2,052,518,241	4,525							
04	205	120	Schools	Schools & Colleges	6		1,985	7,515,677	130	977,038,060	1500	977,038,060	2,154	977,038,060	2,154	100	751,567,738	1000	751,567,738	1,657	751,567,738	1,657							
04	206	120	Schools	Schools & Colleges	6		2,408	9,117,255	130	1,185,243,147	1500	1,185,243,147	2,613	1,185,243,147	2,613	100	911,725,498	1000	911,725,498	2,010	911,725,498	2,010							
04	203	177	Schools	Laundromat	6		668	2,529,205	150	379,380,793	1500	379,380,793	836																

Figure 5

Normal Strength - BOD 1500
 Normal Strength - SS 1000

City of Avondale, Arizona

Cost of Service Analysis
 Calculation of Estimated Pounds of BOD/SS Removed

Calculation of Estimated Pounds of BOD Removed														Calculation of Estimated Pounds of SS Removed													
Account Type	Water Rate Code	Sewer Rate Code	Class	Class 2	Meter Size	Inside / Outside	Wastewater Flow (1,000 Gallons)	Wastewater Flow (Liters)	Industry Standard Loading Factor (mg/L)	Total Estimated BOD Removed (mg)	Total Estimated BOD Removed (Pounds)	Normal Strength Threshold (mg/L)	Estimated BOD Removed from Normal Strength Flows (mg)	Estimated BOD Removed from Extra Strength Flows (Pounds)	Industry Standard Loading Factor (mg/L)	Total Estimated SS Removed (mg)	Total Estimated SS Removed (Pounds)	Normal Strength Threshold (mg/L)	Estimated SS Removed from Normal Strength Flows (mg)	Estimated SS Removed from Extra Strength Flows (Pounds)							
05	203		Churches	Professional Office	0.75		1,897	6,425,242	130	835,281,404	1,841	1500	835,281,404	1,841	80	514,019,326	1,133	1000	514,019,326	1,133							
06	204	201	Churches	Professional Office	0.75		1,287	4,872,885	130	633,475,054	1,397	1500	633,475,054	1,397	80	389,830,803	859	1000	389,830,803	859							
06	203	201	Industry	Professional Office	0.75		130	492,211	130	63,987,379	141	1500	63,987,379	141	80	39,376,849	87	1000	39,376,849	87							
07	202	177	Laundries	Laundromat	6		266	1,007,139	150	151,070,795	333	1500	151,070,795	333	110	110,785,249	244	1000	110,785,249	244							
07	203	177	Laundries	Laundromat	6		2,978	11,275,409	150	1,691,311,378	3,729	1500	1,691,311,378	3,729	110	1,240,295,011	2,734	1000	1,240,295,011	2,734							
08	101	101	Mobile Hor	Residential	0.75		53	200,670	250	50,167,620	111	1500	50,167,620	111	175	35,117,334	77	1000	35,117,334	77							
08	102	101	Mobile Hor	Residential	0.75		8,588	32,516,190	250	8,129,047,525	17,921	1500	8,129,047,525	17,921	175	5,690,333,268	12,545	1000	5,690,333,268	12,545							
08	103	101	Mobile Hor	Residential	0.75		5,570	21,089,331	250	5,272,332,873	11,624	1500	5,272,332,873	11,624	175	3,690,633,011	8,136	1000	3,690,633,011	8,136							
08	104	101	Mobile Hor	Residential	0.75		25,610	96,965,490	250	24,241,372,510	53,443	1500	24,241,372,510	53,443	175	16,968,960,757	37,410	1000	16,968,960,757	37,410							
08	105	101	Mobile Hor	Residential	0.75		6,628	25,095,169	250	6,273,792,151	13,831	1500	6,273,792,151	13,831	175	4,391,654,506	9,682	1000	4,391,654,506	9,682							
08	302	101	Mobile Hor	Residential	0.75		46,396	175,666,180	250	43,916,545,060	96,819	1500	43,916,545,060	96,819	175	30,741,581,542	67,774	1000	30,741,581,542	67,774							
08	301	301	Mobile Hor	Multi-Family	0.75		28,650	108,475,646	250	27,118,911,457	59,787	1500	27,118,911,457	59,787	225	24,407,020,312	53,808	1000	24,407,020,312	53,808							
08	102	302	Mobile Hor	Mobile Home Park	0.75		5,988	22,671,978	250	5,667,994,478	12,496	1500	5,667,994,478	12,496	225	5,101,195,031	11,246	1000	5,101,195,031	11,246							
08	103	302	Mobile Hor	Mobile Home Park	0.75		3,016	11,419,286	250	2,854,821,534	6,294	1500	2,854,821,534	6,294	225	2,569,339,381	5,664	1000	2,569,339,381	5,664							
08	104	302	Mobile Hor	Mobile Home Park	0.75		15,464	58,550,345	250	14,637,586,275	32,270	1500	14,637,586,275	32,270	225	13,173,827,647	29,043	1000	13,173,827,647	29,043							
08	105	302	Mobile Hor	Mobile Home Park	0.75		7,288	27,594,084	250	6,898,521,002	15,209	1500	6,898,521,002	15,209	225	6,208,668,902	13,688	1000	6,208,668,902	13,688							
08	302	302	Mobile Hor	Mobile Home Park	0.75		31,756	120,235,693	250	30,058,923,289	66,269	1500	30,058,923,289	66,269	225	27,063,030,960	59,642	1000	27,063,030,960	59,642							
10	204	177	Car Wash	Laundromat	6		1,635	6,190,495	150	928,574,246	2,047	1500	928,574,246	2,047	110	680,954,447	1,501	1000	680,954,447	1,501							
10	204	179	Car Wash	Car Wash	6		3,184	12,055,374	20	241,107,474	532	1500	241,107,474	532	150	1,808,306,054	3,987	1000	1,808,306,054	3,987							
10	204	201	Car Wash	Professional Office	0.75		5,575	21,108,263	130	2,744,074,147	6,050	1500	2,744,074,147	6,050	80	1,688,661,014	3,723	1000	1,688,661,014	3,723							

ORDINANCE NO. 1218-1206

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE AVONDALE CITY CODE, CHAPTER 24, WATER, SEWERS AND SEWAGE DISPOSAL, ARTICLE II, MUNICIPAL WATER SYSTEM, RELATING TO AN INCREASE IN WATER RATES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Avondale (the “City”) retained Red Oak Consulting in 2004 to prepare and produce a Water and Wastewater Rate Study that evaluates revenues, revenue requirements, cost of service and rates for the City’s water and sewer utilities. Based upon the 2004 Red Oak study, City staff has compiled an updated study in October, 2006 (the “Water and Wastewater Rate Update”); and

WHEREAS, a copy of the Water and Wastewater Rate Update has been made available to the public by the filing of a copy in the office of the City Clerk at least 30 days prior to the public hearing on the proposed increase in water user charges in accordance with ARIZ. REV. STAT. § 9-511.01(A)(1); and

WHEREAS, a Notice of Intent to Increase Water and Wastewater User Charges for the City’s water and wastewater utility services was adopted by motion of the Council on October 16, 2006, and was thereafter published in the West Valley View on November 10, 2006, in accordance with ARIZ. REV. STAT. § 9-511.01(A)(2). A public hearing on the proposed increase was held on December 4, 2006, in accordance with ARIZ. REV. STAT. § 9-511.01(A)(2); and

WHEREAS, the Council of the City of Avondale finds that the proposed increase in the water user charges is fully supported by the Water and Wastewater Rate Update and will fully and fairly recover the cost of providing water services from each customer class.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the Avondale City Code, Chapter 24, Water, Sewers and Sewage Disposal, Article II, Municipal Water System, Division 2, Rates, Charges, Billing and Collection Procedures, Section 24-47, Consumption charges, is hereby deleted in its entirety and replaced with the following:

24-47 Consumption charges.

Customer Charge Per Bill - all users	\$ 2.28
<u>Meter Size-Base Fee all users*</u>	
3/4" Meter	\$ 7.52
1" Meter	15.98
1 1/2" Meter	30.08
2" Meter	48.13
3" Meter	90.24
4" Meter	150.39
6" Meter	300.79
Hydrant Meter	300.79
<u>Residential Usage Charge per 1,000 gallons</u>	
0-4,000 gal	\$ 0.90
5,000-8,000 gal	1.39
9,000-12,000gal	2.08
13,000 + gal	3.17
<u>**Non-Residential Usage Charge per 1,000 gallons</u>	
0-8,000 gal	\$ 1.39
9,000-12,000gal	2.08
13,000 + gal	3.17
Hydrant Usage – all gal	2.08

*Meter charge for multi-family will be based upon a 47 percent unit equivalency factor applied to the 0.75" meter charge times number of units

**Rate blocks for non-residential users are adjusted by the meter equivalency factor.

SECTION 3. That, if any provision or any portion of any provision of this Ordinance is for any reason held to be unconstitutional or otherwise unenforceable by a court of competent jurisdiction, such provision or portion thereof shall be deemed separate, distinct and independent of the remaining provisions of this Ordinance and shall be severed therefrom without affecting the validity of the remaining portions of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, December 4, 2006.

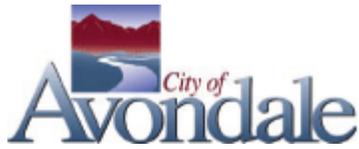
Marie Lopez-Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, City Attorney



CITY COUNCIL REPORT

SUBJECT:

Western Avenue Library - Green Building - Mayor
Rogers

MEETING DATE:

December 4, 2006

TO: Mayor and Council

FROM: Linda Farris

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Mayor Rogers has asked for a discussion item regarding the Western Avenue Library being built as a green building.

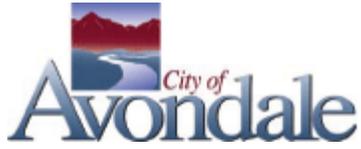
RECOMENDATION:

Discussion item, no action necessary.

ATTACHMENTS:

[Click to download](#)

No Attachments Available



CITY COUNCIL REPORT

SUBJECT:
Executive Session

MEETING DATE:
December 4, 2006

TO: Mayor and Council
FROM: Linda Farris
THROUGH: Charlie McClendon, City Manager

ATTACHMENTS:

[Click to download](#)

No Attachments Available